Developing a Parasocial Relationship with Hotel Brands on Facebook: Will Millennials Differ from GenXers?

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DEVELOPING A PARASOCIAL RELATIONSHIP WITH HOTEL BRANDS ON FACEBOOK: WILL MILLENNIALS DIFFER FROM GENXERS?

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Abstract

Facebook, particularly its brand page, is becoming one of the most powerful tool for relationship building and customer engagement for hospitality companies. As the social media marketing practices evolve in the hospitality industry, the industry starts to realize the importance of customer participation behaviors based on relationship quality rather than quantity of interactions and the rising significance of the Millennials generation. To respond to this trend, this study pursues an empirical investigation of the antecedents for consumer-brand relationship on Facebook, and the potential differences between Millennials and non-Millennials, particularly the GenXers. It also examines the potential varying relational consequences on consumers' online participation behaviors and brand loyalty between these two groups. More specifically, this study positions Facebook as an innovative communication medium, and applies the “parasocial relationship” framework in mediated communication literature as an overarching theoretical guide. Five social-media related factors are included to explain the psychological mechanisms of consumer’s parasocial relationship with brands: utilitarian benefits, hedonic benefits, perceived self-disclosure, perceived interactivity, and perceived information overload. This study also investigates the effects of parasocial relationship on Facebook users’ online participation behaviors with brands and their offline brand loyalty. The hypothesized model is tested with multi-group SEM modelling. Practical and theoretical implications are also discussed in the study.

Key Words: parasocial relationship, perceived information overload, active participation, perceived self-disclosure, perceived interactivity, brand loyalty, utilitarian benefits, hedonic benefits, generational differences
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Chapter 1

Introduction

In the last three decades, one of the major paradigm shifts in marketing research and practices has been to emphasize building a customer-brand relationship over stimulating short-term transactional exchanges. Such a priority shift parallels the movement of “conquest marketing” (constant search for new customers) to “loyalty marketing” (Shoemaker & Lewis, 1999). Marketers realized that it was much more profitable to retain existing customers than constantly search for new customers (Shoemaker & Lewis, 1999). Yet, mere satisfaction resulting from superior service quality and perceived value is not a sufficient condition for strong customer loyalty (Li, 2009). Alternatively, relationships are viewed as an effective mechanism of building strong loyalty, which results in increased customer life time value, voluntary partnership behaviors, and reluctance to switch to competitors for better offerings (Bowen & Shoemaker, 1998). Relationships are able to create powerful customer loyalty through the various affective bonds (e.g. trust, commitment, love) between customers and brands rather than simply “lock in” customers based on easily imitable tangible benefits (Sui & Baloglu, 2003).

As the hospitality and tourism industry is experiencing heightening competitive pressure and diminishing product differentiation, relationship marketing, defined as “establishing, developing and maintaining successful relational exchanges” (Morgan & Hunt, 1994, p. 20), has become strategically critical in the industry (Bowen & Shoemaker, 1998). Historically, the industry’s approaches to relationship marketing have evolved from frequency programs to loyalty programs (Shoemaker & Bowen, 2003; Shoemaker & Lewis, 1998). Frequency programs largely focus on transactional tactics such as point accumulations, discount promotions, and gifts. Such programs are found to mainly drive customers’ repeat purchases but fail to engender
emotional loyalty in customers. Barnacles, or superficially loyal customers, resulting from these programs are particularly susceptible to switching behavior when competitors provide comparable or better benefits (Shoemaker & Bowen, 2003). Subsequently, the industry moved to loyalty programs, which focus on building customer emotional bonds and brand relevance. In addition to tangible rewards, loyalty programs often include intangible tactics such as personal recognition, preferred access and service, personalized offers and messages and emotional trophy awards (Shoemaker & Lewis, 1999). Besides, sophisticated inter-sector partnership and benefit consolidation, loyalty programs add value for customers to create a wholesome travel experiences. For example, loyal airline program members are offered a valet pick-up service and a free stay in its partnering hotels. Today loyalty programs have become a prevalent and heavily invested tool for relationship marketing. According to the 2015 Colloquy Loyalty Census report, the U.S. hospitality and travel industry had 900.8 million loyalty program memberships in 2014, the second largest behind retailing (Berry, 2015)

However, the sheer volume of membership does not necessarily indicate the success of loyalty programs. Research shows that the effects of loyalty programs in fostering strong company-customer relationships are mixed. With the proliferation of loyalty programs, customers are often members of multiple and competing loyalty programs. The 2015 Colloquy Loyalty Census reported that US households belonged to an average of 29 loyalty programs in 2014, but were active only in 12 (Berry, 2015). The active participation rate of loyalty program has seen a decline from 46% in 2010 to 42% in 2014, despite an increase of the absolute membership. Such inactive participation can result in significant wasted resources for loyalty operators (Berry, 2015). Furthermore, previous studies also suggested that many loyalty programs appear to customers as another form of price discounting. Many loyalty programs fail
to initiate and develop a strong emotional bond with customers, and therefore are unable to build a true loyal relationship with customers (Hendler & Latour, 2008; Lacey, 2009; Melancon, Noble, & Noble, 2011; Henderson, Beck, & Palmatier, 2011; Meyer-Waarden & Benavent, 2009).

With the proliferation of mobile devices and wireless technologies, social media are being integrated into people’s daily life at an unprecedented rate. Now hospitality marketers are turning to social media, in conjunction with loyalty programs and other communication channels, to engage customers with the goal of cultivating a stronger relationship with customers. Recently, Marriott International added a new feature, PointPlus, into its loyalty program. The PointPlus program rewards customer loyalty with points for their social media activities on Twitter, Facebook, and Instagram (Johnson, 2014; Trejos, 2014a). Similarly, Kimpton Hotels and Restaurants introduced its new Karma loyalty program, which assigns members a cumulative score and loyalty tier based on room stays as well as “engagement” factors including tweets and direct bookings (Schaal, 2014; Trejos, 2014a). Besides integrating social media activities into loyalty programs, hospitality organizations also set up direct communication channels with customers through social media, which enable brands to interact with their customers at a considerable speed.

Social media fundamentally differs from the traditional communication channels (e.g. prints and TV) because of its interactive social structure and egalitarian nature (Peters, Chen, Kaplan, Ogniben & Pauwets, 2013). Unlike the one-way and top down communication in traditional mass media broadcasting, social media allows many-to-many multidirectional communication styles, with recipients empowered to participate in a social dialogue in which they control its direction. In addition, social media are rift with features that allow self-
representation and disclosure. Social media users are able to disclose their personal information and share content to project an image consistent with their identity. Self-disclosure is considered as a critical step in developing a close relationship (Kaplan & Haenlein, 2010). It is these unique characteristics of social media that make it possible for brands to foster an authentic relationship with customers.

As more marketing activities move to social media, companies are undergoing a shift in corporate social media strategy: refining its focus to stress relationship quality over quantity (Elder, 2014). At the beginning of the social media era, companies were eager to build a mass of followers and fans, believing that they were building a solid marketing channel. Soon companies are confronted with a stark realization: social media was created for friends and family, rather than brands (Fournier & Avery, 2011). A 2011 study done by the IBM Institute for Business Value surveyed more than 1000 consumers worldwide, and found that over half of the respondents (55%) said that they do not interact with brands on social media (Heller Baird & Parasnis, 2011). Brands are often viewed as uninvited crashers by social media users to their digital private space (Fournier & Avery, 2011). As much as marketers wish, consumers are equally adept at tuning out brand messages and activities on social media. Based on the survey data from over 18,000 US adults, a 2012 nationwide study found that only 20% of respondents actively comment on what is hot or write a product review on social media. It also reported that 62% of them indicated that social media has no influence over their purchase decision (Gallup Inc., 2012). These realizations have therefore become an important driver for companies to look beyond numbers to enhancing customer interactions and building solid brand relationships in social media.
Problem Statement

To formulate a successful social media strategy, one requirement is to understand the characteristics of different customer segments. The Millennial group is increasingly an important segment which is drawing more attention from industry leaders. In 2015, it is estimated that there are 75.3 million Millennials in the United States, surpassing its older generations including Baby Boomers and GenXers (Fry, 2015). This generation is estimated to contribute over $600 billion in annual spending to the economy (Ferguson, 2012). As the Millennials are entering the workforce and assuming jobs vacated by the retiring Baby Boomers, their spending power is expected to increase. To many companies, the Millennials generation represents the consumers of the future who they are eager to connect with and stay relevant.

Generational cohort theory maintains that different generations have their own distinct characteristics shaped by the world in which they came of age. The Millennial generation grew up when technology was rapidly penetrating every facet of life. As a result, technology savviness has become a generational identity badge that distinguishes it from other older generations. According to a comprehensive report released by Pew Research Center (2012), Millennials significantly outpace their older generations in every type of internet and cell phone usage, and their daily life is intertwined with digital social life. The Millennial generation also appears to be more trusting and supportive of brands involved in social media than older generations. Surveying 2000 US consumers (with 1000 Millennials), an industry report found that 44% of Millennials were willing to promote products and services in exchange for rewards compared to 29% of older generations. Millennials (26%) are also more likely to share personal information with marketers for rewards than non-Millennials (20%) (Ferguson, 2012). Similarly, the results of a study by Elite Daily, the Voice of Millennials, suggested that a majority of Millennials
(62%) stated that they are more likely be loyal to a brand if it engages them on social media (Schawbel, 2015).

These descriptive industry findings seem to indicate that the Millennials generation tends to feel more trusting with brands and are more likely to interact with them in social media. However, due to their descriptive nature, these studies are limited in understanding Millennials’ unique relationship with brands in social media. Nor are they able to provide diagnostics for the psychological mechanisms behind such a relationship. More specifically, it is still unclear whether social media can assist brands in building an authentic relationship with the Millennials (or older generations) like a “real friend”. Furthermore, what are the major factors that drive such a relationship and its outcomes?

Although the industry has an increasing interest in refining their social media strategy and connecting with Millennials online, academic research has lagged behind. The notion of customer engagement, especially in an online environment, has recently attracted significant attention from scholars and the industry. This interest is demonstrated by the research efforts put forth by academic journals such as Journal of Service Research and several consulting companies including Nielsen Media Group and Gallup Research (Brodie, Hollebeek, Jurić, & Ilić, 2011). Among these efforts, there are only a limited number of empirical studies examining the antecedents and consequences of customer engagement in social media (Erdoğmuş, & Cicek, 2012; Jahn & Kunz, 2012; Kang, Tang, & Fiore, 2014; Labrecque, 2014; Laroche, Habibi, & Richard, 2013; Leung, Bai, & Stahura, 2013; ; Park & Kim, 2014; Pentina, Gammoh, Zhang, & Mallin, 2013).

Although these studies contribute to the body of knowledge by applying different theoretical lenses to examine customer engagement in social media (e.g., online virtual
community, brand relationship quality, use and gratification theory.), they have a common weakness. Research has treated their respondents, social media users who interact with brands online, as a homogenous group. They lack an understanding of how different customer characteristics affect their antecedents and consequences of online interaction with brands or the brand relationship. In addition, the scope of most studies is limited, as they mainly focus on the benefits consumers gain from online content as a major driver for them to develop relationship and engage with brand online. However, consumer brand relationship and engagement behaviors are not only a result of content-specific benefits, but also their evaluations of the overall social site and their perception of brands through message cues in term of interactivity and brand openness.

**Purpose of the Study**

In response to the hospitality industry’s interest in the Millennial consumers and to address the gap in the literature, this study pursues an empirical investigation of the antecedents for consumers’ relationship with brands on social media, and the potential differences between Millennials and GenXers. It also examines the potentially varying effects of the brand relationship on consumers' online engagement behaviors and brand loyalty between these two groups. More specifically, this study draws from communication literature and applies parasocial relationship theory as the underlying theoretical framework. Parasocial relationship theory, also referred to as parasocial interaction theory, maintains that the media audience can develop an illusionary reciprocal relationship with a persona (e.g. movie characters or celebrity) through mediated communication channels (Stern, Russell, & Russell, 2007). The underlying assumption for this study is that social media, as an interactive communication tool, enables consumers to develop and strengthen a parasocial relationship with brands. Other aspects of social media,
including as a distribution channel and business intelligence tool, are not examined here in this study.

To delineate the psychological mechanism for consumers’ parasocial relationship, the study includes three sets of factors: content benefits (i.e., functional and hedonic benefits), message cues (perceived self-disclosure and interactivity), and social site-related factors (i.e., perceived information overload). The study also investigates the effects of the parasocial relationship on two types of outcomes: online engagement (active participation) behaviors and brand loyalty. To test the conceptual models, multi-group structural equation modelling is used in the analysis.

Furthermore, this study only seeks to understand the parasocial relationship with hotel brands on Facebook. There are two reasons to narrow the study to Facebook. First, with 1.06 billion monthly active users as of December 2012, Facebook unquestionably is the most influential social network site (Facebook, 2013). On Facebook, brands are able to create their own brand pages, and have their Facebook users “like” them or become their “fans”. This is particularly of interest for this study, because brand’s fan page is its deliberate efforts to build a community in hope of initiating and maintaining relationship with customers (Brown, Broderick, & Lee, 2007).

Second, as one form of social media, Facebook can vastly differ from other sites such as Twitter, Youtube, and consumer reviewer sites (e.g. Trip adviser). For example, Facebook is designed for connecting with friends and family, while Twitter for broadcasting and sharing information (Pentina et al., 2013). The structural differences among these platforms can lead to different user behaviors and generated content. Smith, Fischer, and Chen (2012) compared the user generated content across Facebook, Twitter, and Youtube. They found that the content
across the three platforms was significantly different across six dimensions (e.g. self-promotion, brand centrality, response to online marketer actions). By focusing on Facebook, this study can capture the antecedents and consequences of customer’s parasocial relationship with brands in a more precise fashion.

**Significance of the Study**

This study is addressing two most current and important trends occurring in the hospitality industry: refining social media strategies to emphasize on relationship quality and the rising importance of the Millennials. The study first seeks to confirm whether the Millennial group, as portrayed by various industry reports, have a higher level of parasocial relationship with brands than GenXers. The result will provide hotel marketers with insights on the nature of current relationship brands have with both groups in Facebook. Then, the study explores the potential differences in the psychological mechanisms for parasocial relationship for these groups. The results can provide useful insights for hotel marketers to develop more efficient strategies to engage these two groups of customers. Instead of undifferentiated sales promotions to entice interaction, as most marketers currently are doing, marketers can utilize the current study’s results in devising differentiated strategies that are viable in a long term (Schultz & Peltier, 2013). Lastly, the study also aims to understand the possible effects of customer relationship on both online and offline outcomes for these two groups. The results can provide hotel marketers with a more refined estimation on the return on investment and justifications for their social media strategies.

The study is also taking one of the first important steps in filling the gap in the social media engagement literature by attempting to understand the potential differences in antecedents and consequences of customer relationship in social media between heterogenous groups of
customers, namely, the Millennial group and the older generation group. While existing studies use different theoretical lenses to investigate antecedents and consequences of customer engagement in social media, they neither consider the moderating effects of customer characteristics, nor account for the effects of many aspects of social media (content, message, and the overall information load of a site). As brand communities are embedded in social media this study context, customer interaction behaviors should therefore be an overall outcome under the influences of three sets of factors: social site, brand, and content (message). Most existing studies only include one set of factors to predict customer engagement (Erdoğan, & Cicek, 2012; Kang et al., 2014; Labrecque, 2014; Laroche et al, 2013; Leung et al., 2013; Park & Kim, 2014; Pentina et al., 2013). This study proposes and tests a comprehensive conceptual model, which integrates content, message, social site related factors and controls the confounding effect of brand attitude.

**Delimitations**

This study has its fair share of limitations. First, the study uses a survey design and structural equation modelling to test the hypothesized model. The significant relationships among the antecedents and outcomes do not indicate a causal relationship. To further provide causal evidences, an experimental design is needed. Future research can manipulate one or several of the antecedents for customer parasocial relationship while controlling other variables such as ages and gender. Second, this study is also a cross-sectional design. As customer’s offline brand relationship is developed and strengthened over time, this study is not able to depict the temporal effect of customer’s online parasocial relationship on their offline relational outcomes. Third, the study focuses on Facebook brand pages. As Facebook and other social media can be vastly different in term of its design features and applications, the motivations
applied to explain customer’s parasocial relationship might not represent other platforms. Lastly, the study does not control the effects of other customer characteristics such as age, gender, and education.

**Definition of Key Term**

The following terms are defined as they are frequently mentioned throughout the study or the key constructs measured in the study.

**Social media** is referred to a group of internet-based applications that allow users to generate content in a class of collaborative and interactive technological platforms (Kaplan & Hanelein, 2010). Common forms of social media include blogs, collaborative projects (e.g. Wikipedia), content sharing community (e.g. YouTube), social networking sites (e.g. Facebook), virtual social world (e.g. Second Life), and virtual game world (e.g. World of Warcraft)

**Social networking site** is a sub-category under social media. They are a set of web-based services that allow users to create and display their profiles, list connections, and view/interact with these connections (Boyd & Ellison, 2008). Examples of social networking site include Facebook, Linkedin, and Myspace. As the social media landscape evolves, the social networking features are integrated with some blogs and content communities, including Youtube, Flicker, and Twitter.

**Facebook Brand page** is free service in which Facebook allows brands to create a profile page to represent them. Once Facebook users “like” the brand page, updates and posts from these pages can be automatically fed to their personal pages (Jahn & Kunz, 2012).

**Friends** are the contacts one articulates in his connection list in the social networking sites. Connections can be made based on superficial relationship, and therefore friends do not
necessarily denote friendship in the everyday sense (Boyd & Ellison, 2008). Other terms such as “fans” and “followers” are used interchangeably with “friends”.

**Parasocial interaction**, also referred as parasocial relationship, is a relational concept in the mediated communication literature. It delineates an illusionary reciprocal relationship that audiences develop with a media persona such as a movie characters or celebrity (Stern et al., 2007).

**Consumer Brand engagement** can be a multi-dimensional construct incorporating a cognitive, emotional and behavioral facets (Brodie & Hollebeek, 2011). This study uses the term of active participation in reference to brand page users’ engagement behaviors with brands on Facebook. This concept delineates user’s behavioral manifestation beyond purchase resulting from brand-focused motivations (Van Doorn et al., 2010). Active participation, with an emphasis on its interactive nature, should be also distinguished from brand page use, which encompasses passive behaviors such as browsing (Jahn & Kunz, 2011).

**Utilitarian Benefits** are referred to the functional (informational and monetary) benefits brand page users derive from the page content (Jahn & Kunz, 2011; Kang et al., 2014).

**Hedonic Benefits** are referred to the entertainment and social-psychological benefits brand page users derive from the page content (Jahn & Kunz, 2011; Kang et al, 2014).

**Perceived Self-Disclosure (openness)** is defined as media users’ perception on brand’s openness by the degree of its self-disclosure (Labrecque, 2014). Self-revelation is considered as a critical requirement to forge trusted relationship (Kaplan & Hanelein, 2010).

**Perceived interactivity** is a message cue for brand page users to evaluate a brand’s responsiveness in the direct two-way communication (Labrecque, 2014).
Perceived information overload is consumer’s perception that the amount of information received exceeds his processing capacity (Speier, Valacich, & Vessey, 1999). In today’s cluttered social media space, perceived information overload is considered as one of the reasons that users avoid brand posts (Heller Baird & Parasnis, 2011).

Brand loyalty in this study consists of brand commitment and brand purchase intention. Brand commitment is defined as the enduring desire to maintain a long-term relationship with the brands (Morgan & Hunt, 1994).

Generation is defined as a cohort born in the general time span whose members shared key historical and cultural experiences (Gursoy, Maier, & Chi, 2008). According to Pew Research (2010), the common generational categories born after World War II include Baby Boomers (born between 1946-1964), Generation X or GenXer (born in 1965 through 1980), and Generation Y or Millennials (1981 to 2000). This study compares the differences in social media relationship between the Millennial group and GenXers.

Organization of the Study

This study is organized into five chapters. Chapter 1 introduces the topic that is being investigated, and describes the purpose of the study and its significance. Chapter 2 provides background information related to social media and Facebook. It then provides a review on the overarching theoretical framework in this study- gratification and use theory and co-creation theory. Followed is a review on the key constructs included in the theoretical framework.

Chapter 3 describes the research design and methodology. The survey design, measurement scales, data collection and data analysis methods are discussed in this section. Chapter 4 provides the results of the data analysis and hypothesis testing. Chapter 5 discusses the findings, explains
the practical implications for the industry and theoretical contribution to the literature. It also addresses the limitations and provides the future research in the area.

Chapter 2

Literature Review

This chapter provides a foundation to better understand social media marketing in the relationship management context. Positioning social media as an effective communication vehicle for brands to build relationship with consumers, this literature review draws on multiple research streams from communication and media, social relationship, and online marketing to delineate the antecedents and consequences of customer-brand relationship developed in social media, particularly Facebook. The literature review consists of six main sections. This chapter starts by providing a thorough description of social media, social networking sites, Facebook, their implications for marketing. The second section reviews existing studies focusing on brand-customer relationship and engagement in the context of social media marketing, and identifies research gap among existing literature. The third section turns to describe the overarching theoretical framework employed in this study, namely, the parasocial relationship theory. The fourth section concentrates on describing the antecedents for customer’s parasocial relationship with brands: utilitarian and hedonic benefits, perceived self-disclosure, perceived interactivity, and perceived information overload. The fifth section then delineates the consequences of consumers’ parasocial relationship: customer engagement online and brand loyalty offline. The last section explains the potential generational differences and reiterates the theoretical framework proposed in this study.
Social Media, Social Network Sites, and Facebook

Social Media

The rise of social media has a symbiotic relationship with the development of Web 2.0 technology. In the era of Web 1.0, web content and applications were created and administered exclusively by certain individuals, and the public was passive content consumers. As it evolved to the Web 2.0 era, the public was empowered to actively participate in content creation and modification in a collaborative fashion (O'reilly, 2007). Social media is therefore defined by some scholars as “a group of internet-based applications that build on the ideological and technological foundation of Web 2.0 and that allows the creation and exchange of user generated content” (Kaplan & Haenlein, 2010, p.61). Peters, Chen, Kaplan, Ogniben and Pauwets (2013) explained social media as a hybrid concept converged from communication media and sociology. They are “the communication systems that allow their social actors to communicate along dyadic ties” (p. 282). Each user in social media is a node (or an actor), and the connections among each other form a complex online social network whereby information can be created and shared in an exponential rate. Similarly, in the business and marketing context, Hennig-Thurau et al. (2010) referred to social media (new media as it is called) as “websites and other digital communication and information channels in which active consumers engage in behaviors that can be consumed by others both in real time and long afterwards regardless of their spatial location” (p. 312).

While these definitions come from various disciplinary traditions, they reach a consensus. That is, the defining characteristics of social media are user’s interactivity and connectivity (Hanna, Rohm, & Crittenden, 2011; Peters et al., 2013)

A plethora of social media exists online, and there is no easy way for its categorization. Based on the site’s objective and functionality, Kaplan and Haenlein (2010) grouped social media into
six categories: blog, collaborative project (Wikipedia), content community (e.g. Youtube), social networking sites (e.g. Facebook), virtual game world (e.g. World of Warcraft), and virtual social world (e.g Second Life).

- Blog: social media equivalent of a personal webpage that allows users to display their entries in a chronological order and interact with their readers.
- Collaborative project: an open platform that enables multiple users to create and modify content simultaneously.
- Content community: a social media platform with the primary objective of sharing media content among users, including books, photos, videos, and powerpoints.
- Social network sites: a social media platform that allows users to connect by creating their profiles, listing friends, as well as viewing and communicating with connected friends.
- Virtual game world: a third-dimension world whereby users can participate in a game with their avatars.
- Virtual social world: a three-dimension world whereby users can live a virtual life through the representation of their avatars.

Kaplan and Haenlein (2010) further explained that social media vary from each other in their media characteristics (social presence and media richness) and social nature (self-presentation and self-disclosure). Social presence and media richness jointly describe the media’s capacity in transferring information to represent the acoustic, visual, and physical contacts in social interactions. The higher the social presence and media richness of a social medium, the larger social influence it has on its users. In addition, self-presentation is referred to as the degree that a medium allows its users to manage their impression to others, and self-disclosure is the
revelation of personal information. The higher self-representation and self-disclosure a medium allows, the more likely users form social relationships with each other. Based on such a category, a social network site is positioned as medium level in media characteristics and high level in social features (Kaplan & Haenlein, 2010). Other classifications largely resemble the categorization scheme by Kaplan and Haenlei (2010), regardless of minor modifications (Hoffman & Fodor, 2010; Mangold & Faulds, 2009). For instance, Hoffman and Fodor (2010) classified social media into eight categories, which encompass microblogging, co-creation sites, social bookmarking, forums and discussion boards, product review sites (e.g. Tripadviser), social network sites, and video and photo-sharing sites.

Social Network Site (SNS)

As mentioned above, a social networking site (SNS) is a subcategory under social media. They are defined as a collection of web services that allow users to: 1) create and display their public or semi-public profiles, 2) list their “friends” (i.e., users with whom they share a connection), and 3) view and transverse friend lists of their own or others (Boyd & Ellison, 2008; Kaplan & Haenlein, 2010; Keenan & Shiri, 2009). The primary feature that distinguishes SNS from other social media is the people-centric nature of SNS. The backbones of SNS are visible personal profiles and social network structure, while most other social media (e.g. content communities and discussion forums) originally centered on content or activities (Boyd & Ellison, 2008; Keenan & Shiri, 2009). As the social media landscape evolves, some other social media sites, including Youtube, Flicker, and Twitter, have started to integrate the social networking features and become SNSs themselves (Boyd & Ellison, 2008).

The emergence of SNSs can be traced back to two decades ago when the SNS Six Degree was introduced in 1997. Friendster and Myspace were once popular SNSs. (Boyd & Ellison,
Today, the SNS landscape has evolved and appeared quite different from twenty years ago. Ranked by penetration of active users, the top five SNSs worldwide in the first quarter of 2013 are Facebook, Google+, Youtube, Twitter, and Sina Weibo—a microblogging site in China (eMarketer, 2013a). Facebook, with 51% of internet users logging into the site once a month, was leading the SNS chart far beyond its second place follower, Google+ (26%). In the United State, Facebook remains the leading SNS in 2014 based on user volume followed by Linkedin, Pinterest, Instagram and Twitter, according to a recent Pew Research survey (Pew Research Center, 2015).

While under the umbrella of SNSs, these sites can differ vastly in their scope, functionality, and user generated content. Some SNSs such as Facebook and Four Square are created for a general mass audience. Other sites target a niche segment (e.g. Linkedin for business professionals) or apply a niche technology (e.g. Twitter as a message-length broadcasting tool) (Keenan & Shiri, 2009). To examine the functionality differences among SNSs, Kietzmann et al. (2011) proposed a framework consisting of seven functional building blocks of a SNS: identity, conversation, sharing, presence, relationship, reputation, and groups. They noted that different SNSs have a varying emphasis on these seven blocks. For instance, Facebook primarily concentrates on building the relationship block, with a secondary emphasis on conversation, reputation, identity, and presence blocks. In comparison, Linkedin is built with identity as its primary block with relationship and reputation as its secondary blocks. The functionality heterogeneity among different SNSs has implications for their user’s social interactions. As Keenan and Shiri (2009) noted, Facebook recreates a “real world” social network in the virtual world by encouraging its users to input their real identity in a safe and privately accessible web environment. On the contrary, Myspace promotes wide publicity by
displaying accessible and customizable user profile pages. The diverse functional features of different SNSs, as a result, engender heterogeneous user generated content. Comparing brand-related user generated content across Youtube, Facebook, and Twitter, Smith et al. (2012) found that the digital content varies across six dimensions: promotional self-presentation, brand centrality, marketer-directed communication, responses to online marketer action, brand-related factual information, and brand sentiment. For instance, Youtube has the greatest amount of self-promoting content, while Twitter is more likely to distribute brand-central messages. The difference in architecture, functionality, and approaches for promoting interactions is one of the reasons that a specific SNS, Facebook in this case, warrants individual investigation.

Facebook and Facebook Marketing

Originally created as a closed Harvard-student only community in early 2004, Facebook now is the leading SNS accessible to the general public (Boyd & Ellison, 2008). As of December 2012, Facebook had 1.06 billion monthly active users, 618 million daily active users and more than 150 billion friend connections in the network (Facebook, 2013). Over 240 billion photos have been shared and over 50 million pages with ten or more likes were created by 2012. Facebook is expected to continue to grow its user base to other large markets such as Brazil, India, Mexico and Japan, by expanding to the mobile domain through its acquisition of Instagram (a mobile photo sharing service) and Whatsapp (a mobile messaging/voice service) (Facebook, 2013). Besides an enormous user volume, Facebook also enjoys a high penetration rate and engagement level. A recent Pew survey found that 70% of internet users visited the site daily in 2014, up from 63% in 2013. Facebook users represent various age categories. Among Facebook users, some 87% internet users are between 18 to 29 years old, 73% between 30 to 49 years old, 63% between 50 and 64 years old, and 56% age 65 and older.
With such a voluminous user base and high engagement level, Facebook has become a critical center for content consumption and sharing for both its end users and business. For its end-users, Facebook intends to build an online platform that enables its users to connect and share with friends, express themselves, as well as discover and learn about what is going on around them (Facebook, 2013). Besides its basic SNS functions (personal profiles and friend lists), Facebook also provides several core products and features to its users free of charge, including News Feed, Timeline, Photos and Videos, and Messages. These core features build a fundamental structure for Facebook to become a friendship-based network.

- **News Feed**: a user’s main page that constantly updates the contents from the friends and pages he connects with. The updates can include status updated, shared posts, photos, videos, likes, comments, group membership, as well as events and activities.

- **Timeline**: Another main page that enables a user to piece together a personal narrative by organizing his posts, activities and events in a chronological order. The user can further portrait his online presence by sharing his personal information (e.g. age, gender, work, education), friend connection, photos and videos, and interests (e.g. books, movies, TV shows, and sports).

- **Photos and Videos**: Facebook enables a user to upload his photos and videos to either all his friends or a selected group of friends. Instagram allows the user to upload his photos from his mobile phone anytime and anywhere.

- **Messages**: Facebook allows a user to text or video chat with an individual friend or a group of friends. The messaging function also enables file transmission.

For businesses, Facebook provides several marketing services to enhance brand awareness and engage consumers: brand pages and paid advertising (including banner ads, sponsored
stories and promoted posts). Brand pages are a free service in which Facebook allows brands to create a profile page to represent them. Through the pages, brands can organically grow their “friend” bases by inviting or incentivizing Facebook users to “like” their pages. It should be noted that “friends” in this context is not the friendship in the everyday sense. Any Facebook users, even without any prior knowledge of a particular brand, can easily become its friend by simply pressing the like button. Once a user likes a brand page, its new posts from the page will automatically be published in his News Feeds (Jahn & Kunz, 2012). From here, friends can actively engage with the brand page by liking, sharing, or commenting on its updated posts. Meanwhile, all this engagement activity with the brand page and content are automatically shown to users' circle of friends, creating a powerful viral marketing network.

Brands can also reach their target customers through paid advertising on Facebook. One particular ad service associated with the brand page is the promoted post. Originally, all or most updated posts from brand pages can reach their friends. However, recent observations have suggested that Facebook has begun to throttle down the organic, non-paid reach of brand pages, partially for maintaining its end user’s valued experience (i.e., to connect with friends and family) and for the monetization of its ad business (Luckerson, 2014). A recent article in Time stated that the organic reach of brand pages on Facebook dropped from 12% of their followers in October 2012 to just 6% by February 2014. The percentage is expected to decrease to 1% to 2% of followers eventually (Luckerson, 2014). Facebook introduced the “Promoted Posts” ad feature, which enables brands to boost the distribution of their posts to those who already liked their pages for a fixed fee. The promoted posts or stories can appear within friend’s News Feed or the right-hand side of the webpage (Facebook, 2013). In addition, brands can pay to push relevant posts to a chosen group of targeted Facebook users based on their shared demographic,
geographic, and psychographic information even without the presence of brand pages (Facebook, 2015a).

As of 2013, Facebook was the second-largest digital ad seller behind only Google. In addition, Facebook took 7.4% of the net digital ad dollars in the US and 5.64% worldwide, while Google accounted for about 40% in the US and 31.9% worldwide (Emarketer, 2013a). Besides advertising, Facebook has also become a critical channel for businesses to communicate and engage with their customers on an ongoing basis. A recent industry survey of US marketing professionals by the Pivot Conference (Emarketer, 2013b) found that consumer engagement and brand enhancement are the top two goals in social media marketing, trumping other goals such as influencing consumer behavior, creating positive brand sentiment, and increasing sales. Within the hospitality industry, Facebook was found to be the most used social networking site for marketing by US restaurants (94%) and hotels (98%) (Kim & Connolly, 2013).

With Facebook drastically filtering brand page posts, brand engagement activity with their friends can come with a high cost, and it therefore makes it a business imperative to evaluate Facebook’s marketing effectiveness. Facebook provides several major performance metrics for business and advertisers, including reach, impressions, and engagement rate (Facebook, 2015b).

- **Reach**: the number of unique people who have seen a brand post. A post counts as reaching when it appears in ones’ News Feed. Reach can be broken down to organic and paid reach.

- **Impression**: The number of times a brand post is displayed in one’s News Feed. The same post can be displayed to the same user for multiple times, therefore impressions are likely to be larger than reach.
- **Engagement rate:** the percentage of unique people who clicked, liked, shared, or commented a brand post

Furthermore, a quantitative study collaborated between Nielsen and Facebook (Gibs & Bruich, 2010), showed that advertising on Facebook, both organic reach and paid ads, effectively improved customers’ ad recall, brand awareness, and purchase intention (Neff, 2010). Studying more than 800,000 Facebook users and 14 brand ad campaigns, the study showed that on average, paid homepage ad increased ad recall by 10%, brand awareness by 4%, and purchase intention by 2% between exposed and control audiences. Furthermore, the study found that exposure to paid ads together with organic impressions (e.g. brand posts seen on user’s News Feed through friends’ sharing) produced optimal value (Gibs & Bruich, 2010).

While these quantitative indicators to some extent capture the magnitude of brand exposure and customer engagement behaviors on Facebook, they are limited in understanding the nature and quality of the relationship fostered between brands and their customers. More specifically, the mere quantity of friends and engagement behaviors (e.g. likes and shares) does not necessarily indicate that a brand has built a high quality relationship with consumers on Facebook. Schultz and Peltier (2013) poignantly pointed out that brands often trade their popularity and likes for short-term rewards. Many brands currently are driving the high frequency of customer engagement primarily by sales promotions. Unfortunately, Over-investing in promotions on social media, as a matter of fact, can harm the long-term viability of a brand, especially most brand page friends are already existing customers (Schultz & Peltier, 2013). Therefore, relationship quality, rather than quantity, should be investigated in order to fully understand the effectiveness of Facebook marketing. Second, simple quantitative indicators do not provide brands with a sound diagnostic tool to understand the psychological
mechanisms underlying consumers’ relationship quality. By examining the antecedents of consumers’ relationship, brands can be better equipped in formulating effective engagement strategies or modifying existing strategies.

Marketing Implications

The most widely discussed and prominent implication of social media marketing is its capacity for consumer empowerment (Broniarczyk & Griffin, 2014; Fournier & Avery, 2011; Hana et al., 2011; Heller Baird & Parasnis, 2011; Hennig-Thurau, Hofacker, & Bloching, 2013; Hennig-Thurau et al., 2010; Hoffman & Fodor, 2010; Kozinets, 1999; Malthouse, Haenlein, Skiera, & Zhang, 2013; Mangold & Faulds, 2009; Peters et al., 2013; Schultz & Peltier, 2013). Social media and the internet in general have endowed consumers with more information accessibility, choices, and participation opportunities (Broniarczyk & Griffin, 2014; Fournier & Avery, 2011). Consumers are no longer passive audiences who brands talk to, but also active participants in the multidirectional communication with brands and other consumers. Such empowerment has changed the traditional top down marketing activities controlled by companies to “bottom-up marketing” co-created by consumers and companies (Hana et al, 2011; Heller Baird & Parasnis, 2011). Social media, characterized by vast reach and connectivity, become a powerful 24/7 collaborative world whereby consumers have an equal say, if not greater than brand managers, in shaping brand meanings and value (Fournier & Avery, 2011).

When guided appropriately, these interconnected virtual spaces can be used to harness their user’s expertise for product development and service improvement, leverage public influence, boost brand awareness, trials and sales, and strengthen customer relationships (Barwise & Meehan, 2010; Malthouse et al., 2013). For example, Mars Chocolate North America was introducing its new product M&M Pretzel through a virtual vending machine to its
40,000 Facebook friends, who could spread the offer to their friends. In less than 48 hours, 120,000 sample products were sent out to Facebook friends (Hof, 2011). Stressing the power of a social media driven business model, Hanna et al. (2011) cited Reid Hoffman, co-founder and chairman of Linkedin, “the ability to leverage the relationship embodied in social networks will become one of the most transformative use of internet” (p.266).

Despite these opportunities, internet-enabled consumer empowerment has rendered brand managers partially, if not fully, to lose control of their marketing activities. In the traditional marketing paradigm, companies through carefully crafted messages and unidirectional communication channels such as TV and print ads tightly dictate marketing content and distribution. The information flow outside the company’s bounds has little impact on the dynamics of the marketplace because of the limited scope of offline information exchange. However, with social media, the intensity and direction of the original marketing messages can be easily altered and re-defined with its highly magnified form of word of mouth (Mangold & Faulds, 2009). Hennig-Thurau et al (2010, 2013) metaphorically described the marketing activities in this new media age as a chaotic and interactive pinball game for brand managers. The marketing ball can be easily diverted, accelerated, slowed, or even stopped by consumer’s collective evaluation, hunt for transparency, public criticism, and parody practices through social media (Fournier & Avery, 2011).

Social media has also brought about unprecedented challenges for the existing customer relationship management (CRM) paradigm. The two core concepts of traditional CRM are one-to-one marketing and life time value of customers. The concept of one to one marketing assumes that customers can be efficaciously segmented based on their common characteristics, and offerings can be customized to cater for each individual segment, while customer’s life time
value is estimated mainly based on their spending with the brand (Kozinets, 1999). However, the connectivity and interactivity of social media blur the boundary of various segments. For example, promotional offerings intended to acquire a specific group of new customers can be easily passed through social media onto existing customers who demand the same treatment (Malthouse et al., 2013). In addition, whether retaining or terminating certain customers no longer solely depends on their estimated spending with the company, but also their public influence in this virtual social space. Brand managers ignoring this important aspect of a customer’s value not only risk the loss of one customer but a potential collective switching (Kozinets, 1999, Malthouse et al., 2013). In the age of social CRM, brand managers no longer can afford an isolated and controlling approach to understand and practice customer acquisition, retention, and termination (Heller Baird & Parasnis, 2011; Malthouse et al., 2013).

While challenging, today’s brand managers cannot ignore the power of social media in running a successful relationship marketing program. Hana et al. (2011) documented that the 2010 Grammy Awards, in face of declining younger viewership, combined social and traditional media to engage audiences and successfully built a vibrant online community centered on the event. A brand community, in its true sense, offers its members a shared “consciousness of the kind” (the we-ness identity), rituals and traditions, and a sense of moral responsibility (McAlexander, Schouten, & Koenig, 2002; Muniz & O’Guinn, 2001; Schau, Muniz, & Arnould, 2009; Wirtz et al., 2013). Not all brand communities embedded in social media are marked with these three core community characteristics, though some successful ones do exist. Fournier and Avery (2011) observed that some brand communities, despite their relationship building focus, were taken advantage of by its members for discounts and promotions through social media. McWilliam (2012) suggested congenial dialogues leading to trust-based
relationships and active participation by more than an exclusive few are two key criteria to
determine a thriving online brand community, in addition to being a place for exchange of
common interest and with a code of behavior. The critical question for brand managers, however,
is how to engage and build a trusted relationship with consumers in these embedded brand
communities in social media? The next section provides a literature review on the topic of brand-
customer relationship and engagement in the brand communities embedded in social media.

Existing Studies on Consumer-Brand Relationship and Engagement

The recent collection of studies on consumer brand relationship and engagement (CBRE),
in the context of brand communities embedded in social media (e.g. Facebook brand page), is a
distinct but overlapping literature stream from three categories: internet and social media
interaction, (online) brand community, and brand relationship (as illustrated in Figure 1). The
common characteristics of these three literature categories are the social interactions and identity
associated with other members or brands. In essence, a brand community embedded in social
media (thereafter referred as the embedded brand community) is a hybrid digital environment
whereby consumers undergo multi-directional interactions (with brands, other brand community
members, and their personal contacts). Therefore, it is common to find that current studies on
CBRE in the embedded brand community inherit prevalent theoretical perspectives used in these
three literature streams (See Figure 1). These perspectives include use and gratifications theory or
motivation theory (Jahn & Kunz, 2012; Rohm, Kaltcheva & Milne, 2013), social capital theory (Lin
& Lu, 2011), brand relationship theory (Labrecque, 2014; Park & Kim, 2014; Pentina, Gammoh,
Zhang, & Mallin, 2013) and brand community building (Kang, Tang, & Fiore, 2014; Laroche,
Nevertheless, embedded brand communities present a distinct setting for social exchanges than social media and traditional brand communities alone (Zaglia, 2013). First, social media is commonly viewed as a virtual space to interact with known personal contacts. For example, Lampe, Ellison, and Steinfield (2006) found that Facebook users largely employ the site to learn more about people they have met offline, and less likely to initiate new contacts. Conversations with all kinds of themes prevail in social media sties (Hanna, Rohm, & Crittenden, 2011). On the contrary, an embedded brand community has a more narrow thematic focus. Dialogues are centered on the focal brand and community members interact primarily with total strangers they never met offline. As a result, social media in general cultivates a stronger social tie among its users than the embedded brand community (Zagila, 2013). The relationship formed in the community is mostly functional and fleeting (Kozinets, 1999). However, where brands force their marketing messages through their embedded brand communities, social media users can view the community as an intruder for their private social space (Fournier & Avery, 2011).

Second, although the embedded brand community is an evolutionary result from the offline brand community and other online communities such as bulletin boards, forums, and chat rooms, the former distinguishes itself from its predecessors with respect to the cost to community members (time, efforts and expenses) and involvement level with brands. Although the internet
provides community members with a convenient and less expensive platform to share experience and information, overcoming the time and geographic constraints, online brand communities generally do not enjoy a consistently high level of consumer involvement as their offline counterparts (Wirtz et al., 2013). Among online communities, embedded brand communities have an even lower threshold to join as compared to other forms of online communities where registration and authentication are usually required. For example, Facebook users can simply “like” a brand page and become its “friend”. The minimal efforts required from users leads to a wider level of engagement and possibly affecting their community mentality (Jahn & Kunz, 2012; Wirtz et al., 2013). Based on the above discussion, it is therefore suggested that CBRE in the embedded brand community is not a simple replica of social exchanges in social media and brand communities. The separate literature streams on internet/social media participation, brand community, and brand relationship might not adequately address CBRE in such a hybrid environment.

A brief summary of the existing studies on CBRE in embedded brand communities is provided in Appendix A. A majority of the studies are quantitative which seek to understand the antecedents and consequences of customer-brand relationships or engagement in the embedded brand communities across various product categories. The antecedents investigated in those studies can be categorized into three groups: content-related, message-cue-related, and social site-related. Content related antecedents are the benefits and values, which members can derive when they browse or interact with the content. Based on the uses and gratifications theory, Jahn and Kunz (2012) proposed that Facebook users are motivated to use and engage with a brand page because of its functional value, hedonic value, social interaction value, brand interaction value and self-concept value. While functional and hedonic values are related to the information
and entertainment benefits of the page respectively, interaction value is the pleasure and satisfaction from engaging with other community members and the brand. In addition, impression enhancement (self-concept) by associating with the brand is another strong driver for consumers’ use and engagement with a brand page. Similarly, examining Facebook restaurant brand pages, Kang et al. (2014) found that functional benefits, hedonic benefits, and social-psychological benefits positively affected users’ active participation behaviors. They also added monetary benefits as another strong motivation for user participation. Using social media diary data, Rohm, Kaltcheva, & Milne (2013) corroborated the above-mentioned research results through identifying five similar motivations for brand engagement in social media including entertainment, timely information and service, product information, incentives and promotions, and identification with brands. While several studies detailed various content-related drivers, some divided all these factors into two categories: functional and experiential benefits (Park & Kim, 2014).

Message-cue-related factors are the message heuristic that indicates the quality of a brand. As compared to the content-related motivations, message-cue factors are much under-investigated. The two message-cue antecedents studied in the existing literature are perceived interactivity and self-disclosure. Interactivity is the degree of responsiveness of a two-way communication, and self-disclosure is the degree of self-disclosure between the communication parties. Based on survey and experimental results, Labrecque (2014) found that perceived interactivity and self-disclosure contributed to the formation of consumer’s parasocial relationship with brands. Furthermore, De Vries, Gensler, & Leeflang (2012) also found that interactivity is a significant predictor of a post’s popularity.
Lastly, social site-related factors, defined as antecedents associated with a social media site that affect the CBRE in the embedded brand community, is the least investigated category. Of the fourteen relevant studies published, only one by Pentina et al. (2013) proposed that the perceived personality match between users and social network sites (SNS) affect their relationship quality with the sites, which in turn affects their behavioral intention to the sites and hosted brand communities. While the researchers found that perceived user-SNS personality congruity influences users’ behavioral intention with hosted brands through the mediating effect of relationship quality with SNS, the impact was very minimal. Therefore the user-SNS personality match is considered of little value in this study. Another possible social-site related antecedent is perceived information overload. This concept has been generally discussed in industry reports as an important deterring factor for users’ engagement with brands in social media. Yet to date, it has not been empirically investigated. Kozinets (1999) wrote that in the information age era, the scarcest resource is no longer consumers’ time or information but their attention. In the online purchase context, perceived information overload was found to be a significant predictor for customers’ decision-making and behaviors (Chen, Shang, & Kao, 2009; Park & Lee, 2009). In embedded brand communities, perceived information overload can result from overly frequent brand updates appearing in social media user’s profile page. Consequentially, users are likely to be annoyed and develop a negative attitude towards the brand community. They might even learn to tune out any interactions with the brand community. Heller Baird and Parasnis (2011) found that spam is one of the major reasons that consumers do not engage brands in social media.

In terms of outcomes, Wirtz et al. (2013) suggested two categories: brand community related and brand related. Among the brand community related consequences, some have an
attitudinal or relational focus, such as attitude towards brand pages (Leung, Bai, & Stahura, 2013), intention to continue to use (Lin & Lu, 2011), relationship quality with the embedded community (Park & Kim, 2014), and parasocial relationship established in the community (Labrecque, 2014), whereas others highlight the behavioral aspect such as active participation, engagement, and usage intensity (Jahn & Kunz, 2013; Kang et al., 2014). The major brand related outcome is loyalty (Erdoğmuş & Cicek, 2012; Jahn & Kunz, 2012; Labrecque, 2014; Laroche et al., 2013; Wirtz et al., 2013). Some other brand-related outcomes include trust and commitment (Kang et al, 2014; Laroche et al., 2013) and willingness to pay premium or share information (Park & Kim, 2014; Labrecque, 2014).

In summary, existing studies collectively have provided a solid framework for understanding the embedded community, which is a unique platform with the interplay of multiple elements, content-related, message-cue related, and social site related factors. However, these element categories are mostly investigated separately in individual studies, and so far no empirical study has consolidated and investigated them jointly to provide a comprehensive perspective. This has been identified as a future research need by some researchers. With regard to studying the parasocial relationship social media users build with embedded brand communities, Labrecque (2014) stated “other antecedents (besides perceived interactivity and openness) also are likely......Future research should examine other antecedents that may be unique to the medium” (P. 145).

In the existing literature, only one study by Rohm et al. (2013) has taken into account the heterogeneity of social media users. Studying the brand interaction behaviors of young social media users, the researchers posited that users aged 20 to 21 years old are more likely to initiate interactions for entertainment and brand identification than those over 21 years old. Further
research is needed to understand the differences in CBRE between young and older age groups. In addition, most previous studies investigated multiple product categories, or various social media platforms, or both (De Vries et al., 2012; Erdoğmuş & Cicek, 2012; Jahn & Kunz, 2012; Labrecque, 2014; Laroche et al., 2013; Lin & Lu, 2011 Pentina et al., 2013; Rohm et al., 2013). They overlook the individual characteristics of each platform and industry. Therefore, future research is needed to investigate the role of the embedded brand community for a specific industry in a specific social media site (Jahn & Kunz, 2012; Leung et al., 2013; Pentina et al., 2013).

To fill in the extant research gaps, this study applies parasocial relationship theory in the mediated-communication literature to explain Facebook users’ engagement with hospitality brand communities (i.e. brand page) on the site and their brand loyalty. The study integrates the content-related, message-cue-related, and social-site related factors to comprehensively explain Facebook users’ parasocial relationship, their online engagement behavior, and brand loyalty. Furthermore, the study explores the generational differences among Millennials and their older counterparts in the psychological process for online engagement and brand loyalty. The theoretical framework section of Chapter 2 is going to provide an overview on the major theoretical perspective in this study, parasocial relationship theory.
Theoretical Framework: Parasocial Relationship Theory

Horton and Whol (1956) first coined the term parasocial relationship, and since then it has been developed into a well-established concept in the communication and media psychology literature. Parasocial relationship was originally investigated in a television-viewing context, and later extended to other mass communication channels including radio, console games, and the internet (Baek, Bae, & Jang, 2013; Hoerner, 1999; Jin & Park, 2009; Rubin & Step, 2000). Parasocial relationship is defined as a one-sided and seemingly face-to-face relationship media users have with media personae, either fictional or nonfictional (Branch, Wilson, & Ange, 2013; Gardner & Knowles, 2008; Horton & Whol, 1956). Due to its one-side nature, parasocial relationship is also described as a viewer’s imaginary relationship whereby they have a sense of intimacy at a distance, while the media personae are completely unaware of it (Cohen, 2004).

Parasocial interaction is a similar concept appearing in the literature. It is conceived as a momentary “conversational give and take” between the viewer and media personae (Horton & Whol, 1956). In a typical parasocial interaction, viewers are immersed into a simulated social world where people, landscapes, and events become familiar and intimate (Derrick, Gabriel, & Hugenberg, 2009). Viewers develop an illusionary experience that they are meeting the media personae face-to-face. During the experience, viewers can respond to the personae either behaviorally-talking back to the characters or cognitively-inferring the characters intention based on their behaviors (Branch et al, 2013). As these episodic parasocial interactions accumulate over time, viewers can eventually develop a lasting relationship in which they know the characters (Branch et al, 2013). While distinctions between parasocial relationship and parasocial interaction was made by some authors (Branch et al, 2013), many studies treated them as equivalent terms. For example, Rubin, Perse, & Powell (1985) described parasocial interaction as
“a relationship on the part of the television viewer of friendship or intimacy with remote media personae” (p. 155-156). In this study, these two terms are defined similarly in a relational perspective, and parasocial relationship is mainly used.

Parasocial relationship can be positioned on a continuum from a full face-to-face interpersonal relationship to a parasocial relationship with fictional characters (Giles, 2002). Early research conceived a parasocial relationship as a dysfunctional relationship reserved for those who are lonely, isolated, and deficient in social relationships. In this sense, it was a substitute for a lack of face-to-face social interactions (Ballantine & Martin, 2005). However, Rubin et al. (1985) found that loneliness is not correlated with loneliness among TV news viewers. Later research suggested that a parasocial relationship may function to expand one’s social relationship scope and serve as a complimentary relationship (Ballantine & Martin, 2005; Giles, 2002). The development of parasocial relationship gravitates toward affective involvement with media personae, rather than filling an emotional void (Cole & Leets, 1999).

The existing media psychology literature suggests that a parasocial relationship resembles an interpersonal relationship in its cognitive representation (e.g., viewing media personae as friends), investment efforts, and psychological benefits (Branch et al., 2013). Early research found that favorite television figures were considered to be closer than an acquaintance but less than a close friend (Koenig & Lessan, 1985). People tend to respond to their parasocial relationship partners as their friends. They desire to disclose more about themselves, show stronger empathy if their favorite personae make mistakes, and display social facilitation behaviors (Branch et al., 2013; Gardner & Knowles, 2008). Like a good friendship, a parasocial relationship was also found to reduce loneliness, activate a sense of belonging, and buffer against a drop in self-esteem and mood as well as feelings of rejection (Derrick et al., 2009). When
facing a break-up with a parasocial relationship with their favorite television character, viewers experienced distress similar to their interpersonal relationship (Cohen, 2004). Despite these similarities, parasocial relationship has a crucial difference from an interpersonal relationship: a lack of effective reciprocity (Horton & Whol, 1956). Media users have an intermediated and unidirectional relationship with a focal persona, in which no interdependence is involved (Branch et al., 2013).

Over the last six decades, empirical studies on parasocial relationship have investigated many aspects of traditional mass media, including individuals relationship with television shows or news hosts (Branch et al, 2013; Rubin et al, 1985; Koenig & Lessan, 1985), radio talk show hosts (Rubin & Step, 2000), television performers (Rubin & McHugh, 1987), soap opera and sitcom characters (Branch et al, 2013; Rubin & Perse, 1987; Gardner & Knowles, 2008), and cartoon characters (Gardner & Knowles, 2008). More recently, parasocial relationship has also been used to examine the effect of new media technologies (e.g. online communication outlets) on its users’ relationship formed through the channel. These relationships can be involved with avatars (Jin & Park, 2009), fictional characters representing a commercial website (Hoerner, 1999), and celebrities and brands through social networking sites (Baek, et al., 2013; Frederick, Lim, Clavio, & Walsh, 2012; Labrecque, 2014; Thorson & Rodgers, 2006). Although different media can have varying degrees of parasociability, which is the ability to “approximate the reality and content characteristics” (Ballantine & Martin, 2005, p. 199), researchers argue that the online communication technologies function similarly as traditional media in cultivating a parasocial relationship (Baek et al., 2013; Labrecque, 2014).

The potential of the online environment to foster a parasocial relationship is supported by Walther’s (1992) Social Information-Processing Theory in the computer-mediated
communication literature. Walther’s (1992) theory presents three factors that explain why online users can develop a strong relationship despite the lack of a social presence. First, people have a natural tendency to form an affiliation, regardless of the occasion. People’s social response can be automatically elicited by human-like characteristics such as a direct look at a picture or a conversational online reply (Reeves & Nass, 1996). Second, internet users over time develop skills to form impressions by decoding textual cues (e.g. using “lol” or smiley face). Lastly, over time, internet users also adapt strategies to detect and obtain physiological knowledge about their online contacts.

While a parasocial relationship has primarily been used to describe the one-sided relationship with media personae, it was also extended to explain consumers’ relationship with brands. The underlying psychological mechanism of the parasocial brand relationship is human being’s anthropomorphic tendency: assigning human qualities to non-human objects (Gardner & Knowles, 2008). Previous research suggested that anthropomorphism is universal in all societies, and it is practiced to fulfill the need of connecting with the non-animated world (Fournier, 1998). Aggarwal and McGill (2012) provided support that the act of anthropomorphizing a brand triggers people’s goal for a successful social interaction. Depending on their attitude toward the brand, interactions can result in behavior that either assimilates or is in contrast to the brand’s image. Many studies have also found that consumers often describe brands in terms of human personalities (Aaker, 1997; Eisend & Stokburger-Sauer, 2013; Fournier & Alvarez, 2012). Surveying a representative US consumer sample, Aaker (1997) identified five dimensions of brand personality, including sincerity, ruggedness, sophistication, competence, and excitement. Fournier (1998) suggested that brands are often viewed as a partner by consumers, with which
they develop various types of relationships including casual friendship, arranged marriage, kinships, and the others.

Marketers often humanize brands by representing their personality through spokespersons or brand characters as well as posting them as an active and reciprocal communication member (Founier, 1998). Particularly in the social media environment, brands can directly converse and interact with a large group of consumers through updates, synchronous messaging, and other similar functions. Although multiple employees interact with consumers under a brand’s name, their online behavior integrally represents the brand (Labrecque, 2014). Consumers translate these behavioral observations into an evaluation of brand personality, and reciprocate with their natural social response tendency. Much like television and radio, social media also serves as a communication vehicle for media users (or consumers) to develop a one-sided illusionary relationship with a brand.

Parasocial relationship theory is traditionally grounded primarily in theories on relational development (Cole & Leets, 1999). It should be noted that parasocial relationship theory is not a theory at all. It is a theoretical framework, where many theories “can speak to each other, whether in argument or mutual support” (Emerson, 1976, p. 336). Cole and Leets (1999) summarized that uncertainty reduction theory, social exchange theory, and personal construct theory have emerged as viable perspectives to explain parasocial relationship in traditional media. Ballantine and Martin (2005) also suggested that these three theories might also be useful in describing parasocial relationship in the online environment. Uncertainty reduction theory notes that relationship development is a process of uncertainty reduction. As uncertainty decreases, liking increases because one can better predict the other’s behaviors (Berger & Calabrese, 1975). In the context of parasocial relationship, Rubin and McHugh (1987) found that
more television exposure decreased viewers’ sense of uncertainty with the televised characters, and resulted in a parasocial relationship with a higher liking of the characters. Social exchange theory (Emerson, 1976; Homans, 1958) is based on the traditions of psychology reinforcement and microeconomics, and conceptualized social relationship as a product of cost-reward assessment. Parasocial relationship through mediated communication can achieve pleasure through social connection while alleviating the anxiety, embarrassment, and travel hassle related to face-to-face interactions (Cole & Leets, 1999). Personal construct theory (Kelly, 1977, 2003) explains that media users in a parasocial relationship develop a sense of “knowing” the media personae by applying their inquiry system of constructing and interpreting the world (Ballantine & Martin, 2005; Cole & Leets, 1999). Besides these three theories, attachment styles and the concept of homophily (i.e., the tendency for friendship to be formed among those that are alike in some aspects) are suggested to explain the development of parasocial relationship (Cohen, 2004; Cole & Leets, 1999; Turner, 1993).

As a psychological motive, parasocial relationship also drives behaviors or behavioral intentions (Ballantine & Martin, 2005). This line of research on parasocial relationship primarily applies the uses and gratification theory either explicitly or implicitly (Giles, 2002). The uses and gratification theory (Katz, 1959) reflects the stimulus-organism-response (S-O-R) psychological process. It posits that media users, when facing external stimuli, experience an internal state, which drives them to certain behaviors that fulfill their needs and achieve their goals (Conway & Rubin, 1991). Many studies have found that a parasocial relationship was positively related to the intensity of media use (Grant, Guthrie, & Ball-Rokeach, 1991; Rubin et al., 1985), radio show selection (Rubin & Step, 2000), and internet use (Baek, et al., 2013). In addition, parasocial relationship was found to be influential in selecting particular media content (i.e., Information
and entertainment viewing), rather than the passive use of media for leisure time and escape purposes (Conway & Rubin, 1991).

In summary, the development of a parasocial relationship and its consequences, have been examined from several viable theoretical frameworks. These theories include social exchange theory, uncertainty reduction theory, personal construct theory, attachment theory and uses and gratifications theory. The concept of homophily was also used to explain the parasocial relationship. Incorporating all these theoretical perspectives into one single investigation is beyond the scope of this study. Therefore, uncertainty reduction theory and social exchange theory were selected as the two major frameworks to explain consumers’ parasocial relationship with brands in social media, and uses and gratification theory as a main perspective to account for their media engagement behaviors online. To represent these general psychological theories, variables are identified from the existing literature on embedded brand communities. More specifically, hedonic and utilitarian benefits as well perceived information overload are considered two variables to represent the cost-reward assessment emphasized in social exchange theory. Perceived interactivity and perceived self-disclosure, which are message cues to reduce uncertainty in mediated communication, are used to represent uncertainty reduction theory.

Lastly, consumer’s brand engagement behavior online is used to show the consequences of a parasocial relationship in light of uses and gratification theory. The rationale to choose these three frameworks is that these perspectives involve variables that brands can act on at a greater extent than those under other perspectives (e.g. consumer’s attachment style or personality). The next section will explain each individual variable and its connection with parasocial relationship.
Antecedents of Parasocial Relationship

Perceived Interactivity

In the media and communication literature, interactivity is generally regarded as one of the central characteristics of the online environment (McMillan, 2006; Morris, & Ogan, 1996; Williams, Rice, & Rogers, 1988). While interactivity is a well-researched concept, there is no consensus on its definition. Based on an extensive literature review, McMillan (2006) summarized that interactivity is defined using four approaches: process, perception, feature, and a combination perspective. According to the process perspective, interactivity refers to the degree of relatedness and interdependency among messages in a series of communication exchanges (Rafaeli & Sudweeks, 1997). Researchers from the process perspective focus on exchange activities, such as communication responsiveness, that are the key to interactivity (McMillan & Hwang, 2002).

In the feature perspective, interactivity is viewed as media’s ability to simulate or facilitate interactions (Kiousis, 2002; McMillan, 2006, Wu, 2005). Interactivity, in this perspective, is often operationalized by certain structural features. For instance, Ha and James (1998) evaluated website’s interactivity based on five dimensions: 1) choice of color, speed and language; 2) playfulness-availability of entertaining devices and games; 3) connectedness-number of hyperlinks; 4) information collection- registration form; and 5) reciprocal communication- availability of an email address, toll-free number, order and purchase function, survey, and other direct communication vehicles. While structural interactivity represents the potential for interaction afforded by a given communication medium, perceived interactivity is the result that users realize of such potential (Wu, 2005).
Perceived interactivity is the qualitative experience users have with the media (Burgoon, Bonito, Bengtsson, Ramirez, Dunbar, & Miczo, 1999). It represents the extent to which users perceive they are engaging in interactions and experiencing the co-presence and connections with others (Thorson & Rodgers, 2006). Perceived interactivity can result from structural interactivity, but it is not necessarily equivalent to structural interactivity. After comparing objective interactive features and participant’s perception, McMillan (2002) found that there was no significant correlation between perceived interactivity and structural interactivity. She also found that perceived interactivity was a stronger predictor for attitudes towards websites. Similarly, Thorson and Rodgers (2006) found that perceived interactivity of a political candidate’s blog was strongly related to the viewer’s attitude towards the site and the candidate as well as their intention to vote. However, perceived interactivity did not correlate with structural interactivity, which only affected viewer’s attitude towards the site. As Reeves and Nass (1996) succinctly pointed out, “perceptions are far more influential than reality defined more objectively” (p. 253).

Early research gauged perceived interactivity based on efficacy, which consists of internally-based self-efficacy and externally based system efficacy (Newhagen, Cordes, & Levy, 1995; Wu 1999). Internally-based self-efficacy is the media user’s perceived control over navigation, content, and communication pace, whereas externally-based system efficacy is the perceived responsiveness of the media to react to their inputs. Later research added “direction of communication” as another dimension of perceived interactivity (McMillan & Hwang, 2002; McMillan, Hwang, & Lee, 2003; Song & Zinkhan, 2008; Wu, 2005). This dimension emphasizes the importance of two-way communication. As noted by Ha and James (1998), the defining characteristic of interactivity lies in the fact that the communicator and the audience respond to
and facilitate each other’s communication needs. In summary, previous research generally measures perceived interactivity in three dimensions: perceived control, responsiveness, and two-way communication.

Much research on perceived interactivity is based on the evaluation of various website features (Song & Zinkhan, 2008; Wu, 2005). For instance, Wu (2005) manipulated the presence or absence of six interactive website elements: email hot-links, online chatroom and searchable pull-down menus. Song and Zinkhan (2008) argued that in many cases users might not be aware of or use all these features, which therefore did not affect their perception of interactivity. In their study, Song and Zinkhan (2008) focused on two message-level factors: speed of responses (i.e. response time and number of clicks) and message type (i.e. personalized or standardized). In examining the ramifications of these features, they found that personalized messages had the strongest effect on perceived interactivity, which was operationalized as a three-dimensional construct (i.e., control, responsiveness, and communication). Similarly, Labrecque (2014) also focused her research on message-level perceived interactivity. She defined interactivity as “the user's perception of taking part in a two-way communication with a mediated persona” (p. 136). Different from Song and Zinkhan (2008), she measured perceived interactivity as a uni-dimensional construct, which was comprised of responsiveness and communication. Her study found that consumers’ perceived interactivity significantly contributed to their parasocial relationship with brands in social media.

Drawing on Labrecque’s (2014) conceptualization and measurement, this study seeks to understand consumer’s perceived interactivity with brands in social media-based brand communities. More specifically, this study examines consumer’s perceived interactivity resulting from their interactions with brands through content exchange and message cues, rather than
through other interactive features of the brand pages. Message exchange can create an impression on consumers that the brand is listening and addressing their needs. Burgoon et al. (1999) found that perceived interactivity formed in computer-mediated communication led to a more favorable perception of a partner’s credibility and attraction. This is similar to what happens in the traditional parasocial relationship environment, such as television viewing. With visual and audio effects, viewers feel that media personae are directly looking at them and addressing them individually, and they develop an illusion that they are meeting the personae face-to-face (Branch et al., 2013; Horton & Whol, 1956). Comparably, timely and quick responses, personalized replies, and other message cues signal the presence of interactive “personae” at a distance (Song & Zinkhan, 2008).

The conceptual link between perceived interactivity and parasocial relationship can be explained by uncertainty reduction theory. According to the theory, people generally seek information to reduce uncertainty. As uncertainty decreases, a relationship is expected to develop as people’s ability to predict other’s behaviors increases (Berge & Calabrese, 1975, as cited in Perse & Rubin, 1989). Rubin and McHugh (1987) found that more television exposure decreased viewers’ sense of uncertainty with the televised characters, and resulted in a parasocial relationship with a higher liking of the characters. Though television viewing is mainly a passive information-seeking strategy (i.e. observation), the amount of information acquired about the media personae increases, thus reducing associated uncertainty. In the same fashion, message cues that promote perceived interactivity provide information about the brand and its character through the mediated environment, and therefore decrease uncertainty and facilitate a parasocial relationship. Empirical studies provide support that perceived interactivity
positively affects parasocial relationship in branding and political campaign contexts (Labrecque, 2014; Thorson & Rodgers, 2006)

H1: Perceived interactivity positively affects parasocial relationship.

Perceived Self-Disclosure

Open communication is a crucial element for developing committed relationships between firms (Morgan & Hunt, 1994). In communication, perceived self-disclosure, also referred to as perceived openness, is the perception that a communication partner has regarding how much information others reveal (Labrecque, 2014). The concept of self-disclosure originated from the interpersonal relationship literature. In this context, self-disclosure is considered as any willful divulgence of personal information, including internal states, personality, past events, and future plans (Derlega & Chaikin, 1977). The act of self-disclosure was found to play an important role in forming intimate relationships (Greene, Derlega, & Matthews, 2006).

Although much research on self-disclosure was conducted in the interpersonal relationship setting, the concept more recently has been applied to the business and consumer relationship. Generally, company disclosure behaviors are found to result in consumers’ enhanced social judgement of the company (Carl, 2008; Chou, Teng, & Lo, 2009; Chung & Cho, 2014; Fennis & Stroebe, 2014; Wang, Beatty, & Foxx, 2004). When investigating the disclosure of sponsored word-of-mouth marketing programs, Carl (2008) found that consumers rated those agents who revealed their corporate affiliations more credible and less negative. Consequently, consumers were more willing to promote the company’s focal brands. Further, in the midst of a public relations crisis, company self-disclosure of negative information, as compared to third-party disclosure, helped alleviate the immediate damage. Company self-disclosure positively
affects consumer’s selection behavior, perception of trustworthiness, and company evaluation. The remedial effect of self-disclosure, in this case, was stronger for companies, which suffered from a negative reputation (Fennis & Stroebe, 2014). In addition, Andrade, Kalcheva, and Weitz (2002) found that reputation of the company and its privacy policy disclosure reduced consumer’s concern regarding the provision of personal information, while the offer of a reward heightened their concerns.

Previous research has shown that company self-disclosure behavior was closely related to consumer’s trust. However, some researchers have differentiated cue-based trust and experience-based trust (Chou et al., 2009; Wang et al., 2004). While experience-based trust is built on previous knowledge of a company, cue-based trust is formed based on the information cues consumers receive from their initial encounter with the company (Wang et al., 2004). In an online environment, Wang et al. (2004) examined the effects of company disclosure on consumer’s perception and behaviors and specifically examined five policies: seals of approval, returns, awards from neutral source, security, and privacy. Their study results showed that disclosure on awards, security, and privacy policies contributed to consumer’s trust, bookmarking intention, and willingness to provide personal information. Chou et al. (2009) extended an understanding of company self-disclosure by investigating company identity information disclosure. Company identity information comprises its introduction (e.g. history, culture, and leadership), service information (e.g. service procedures and recovery measures), and product descriptions. The researchers argued and confirmed that identity information disclosure functioned similarly to policy disclosure and enhanced consumer trust as well as their likelihood to provide personal information.
While many studies have conceptualized self-disclosure as a company or consumer behavior (Andrade et al., 2002; Chou et al., 2009; Fennis & Stroebe, 2014; Wang et al., 2004), Carl (2008) stressed the importance of understanding the perceived disclosure behavior by all parties involved, rather than the behavior itself. The meaning of a relationship rests on the interpretation of the receivers, and hence their perception should not be overlooked (Duck, 1994; cited in Carl, 2008). Chung and Cho (2014), in their study operationalized self-disclosure as a perception. The researchers explored the ways that audiences’ developed a parasocial relationship with celebrities through reality television viewing and social media usage. They concluded that audience’s perceived self-disclosure increased celebrity credibility, which in turn positively impacted endorsed brand credibility and purchase intention.

Why does company’s self-disclosure elicit consumer’s trust and help build a close relationship? The study results generally agree upon the positive effects of (perceived) company self-disclosure on relationship building. However, they haven’t articulated the psychological process underlying such an effect. Uncertainty reduction theory is one of the viable social psychological theories to explain the effect of self-disclosure. As mentioned previously, the primary concern of uncertainty reduction theory is to reduce uncertainty and increase predictability during interpersonal interactions. This is especially the case during the initial communication phase when partners get to know each other. To alleviate uncertainty, communication partners not only seek to predict the other’s behaviors, but also retroactively explain the other’s actions (Berger & Calabrese, 1975). Berger (1979) outlined three broad communication strategies to reduce uncertainty, including passive (e.g. observation), active (e.g. asking others), and an interactive strategy. Among interactive strategies, self-disclosure was proposed as one approach. It is not difficult to conceive that the more information is revealed,
there is less uncertainty associated with the interaction, and therefore more liking and a higher level of closeness. Self-disclosure is considered a crucial element in developing and maintaining an intimate relationship (Fritz, Lorenz, & Kempe, 2014).

As parasocial relationship is viewed as a friendship-like relationship which is more than the relationship with an acquaintance and less than with close friends (Koenig & Lessan, 1985). It is proposed that self-disclosure is beneficial in building a parasocial relationship between consumers and brands in an online environment. Self-disclosure, in this study, is defined as consumers’ perception on the extent that brands disclose their identity and policy information. Perceived self-disclosure herein is conceptually the same as perceived openness described by Labrecque (2014). In her study, Labrecque (2014) has provided empirical support that perceived self-disclosure (openness) positively affects brand-consumer parasocial relationships.

_H2: Perceived self-disclosure positively affects parasocial relationship._

Perceived Utilitarian and Hedonic Benefits

Previous research suggested that there are two major benefits derived from consumption: utilitarian and hedonic benefits (Batra & Ahtola, 1991; Chitturi, Raghunathan, & Mahajan, 2007, 2008; Holbrook & Hirschman, 1982). Consistently, the term of “utilitarian benefit” is used to describe the functional, instrumental, and practical value of consumption, whereas the term of “hedonic benefit” refers to those intrinsically pleasing, aesthetic, and symbolically meaningful value of consumption (Chitturi et al., 2008; Holbrook & Hirschman, 1982). Mano and Oliver (1993) stated that the two-dimensional approach to consumption benefits corresponded to the concepts of thinking versus feeling. They are not necessarily mutually exclusive. A consumption offering can simultaneously provide both utilitarian and hedonic benefits. In addition, these two
types of benefits are not necessarily evaluated and preferred equally across consumers (Babin, Darden, & Griffin, 1994; Batra & Ahtola, 1990)

Research on consumption benefits was first conducted in the context of consumer products (Batra & Ahtola, 1991; Mano & Oliver, 1993; Voss, Spangenberg, & Grohmann, 2003). Within this stream, some studies operationalized the two benefits in the form of product attributes (Chitturi et al., 2007, 2008). For example, Chitturi et al. (2007) identified battery life and signal quality as functional benefits, and aesthetic appeals as hedonic benefits. Other studies view the two benefits as consumer’s evaluation of product performance (Mano & Oliver, 1993). Batra and Ahtola (1991) were among the first researchers to develop a measurement scale of hedonic and utilitarian product evaluation. Based on consumer assessment of four branded products, the researchers identified a set of bipolar semantic differential descriptors for these products. Exemplary items include pleasant-unpleasant and agreeable-disagreeable for the hedonic dimension, and useful-useless and beneficial-harmful for the utilitarian dimension. Voss et al. (2003) later refined Batra and Ahtola’s measurement scale, and established its reliability and validity across products and different brands within the same product category. Similar to the Batra and Ahtola’s scale, the researchers identified five bipolar descriptors for each dimension respectively (e.g. “effective-ineffective” for the utilitarian dimension and “fun-not fun” for the hedonic dimension)

Another stream of literature conceptualized consumption benefits as value, which refers to the outcomes consumers believe they receive from consumption experiences (Babin et al., 1994; Rintamäki, Kanto, Kuusela, & Spence, 2006). Such a conceptualization often views consumption benefits as rewards that motivate consumer’s behaviors (Childers, Carr, Peck, & Carson, 2002; Rintamäki et al., 2006). Babin et al. (1994) found that shopping evoked utilitarian
value through the accomplishment of intended tasks (i.e. product acquisition) and hedonic value by providing enjoyment, excitement, and escapism. Rintamäki et al. (2006) concurred on the utilitarian and hedonic value in the context of department store shopping. More specifically, they operationalized the utilitarian value as convenience and monetary savings, while hedonic value represented entertainment and exploration. The researchers also added a third dimension of social value, which emphasizes the role of shopping in signaling social status. Consistent with previous findings, Forsythe, Liu, Shannon, and Gardner (2006) identified four perceived benefits of online shopping. They are convenience, product selection, ease/comfort of shopping, and hedonic/enjoyment, among which the first three benefits constitute the utilitarian shopping value. Drawing on the technology acceptance model, Childers et al. (2002) supported that both utilitarian (usefulness and ease of use) and hedonic (enjoyment) website features affected consumers’ attitude towards online shopping.

In the context of online content consumption, utilitarian and hedonic benefits have been operationalized as an evaluative judgement. For example, Jahn and Kunz (2011) measured “functional value” of brand Facebook pages as “helpful” and “useful” along with two other similar items, while “hedonic value” was assessed as “fun” and “exciting” with two additional items. However, extant studies in this area mainly defined benefits as perceived value-gratification consumers derive from media interactions. Investigating the effect of restaurant’s Facebook brand pages on consumer’s brand loyalty, Kang et al. (2014) proposed four types of benefits as antecedents for consumer’s active participation. They were functional (i.e. informational), hedonic (i.e. entertainment), social-psychological, and monetary benefits. Alternatively, Park and Kim (2014) grouped the informational and monetary savings benefit into one category labelled “functional” (i.e. utilitarian) benefit, and social and entertainment benefits
as “experiential” (i.e. utilitarian) benefits. This study adopts the perspective of consumption benefits as perceived value or gains consumers obtain from interacting with brand posts on Facebook.

Generally, the two types of benefits are found to positively impact consumers’ online behavior and attitudes. Based on their structural modelling results, Jahn and Kunz (2011) concluded that higher hedonic and functional benefits of brand Facebook pages increased consumer’s fan page use intensity. In the setting of email viral marketing, Chiu, Hsieh, Kao, and Lee (2007) reached a similar conclusion and stated that both hedonic and functional benefits significantly contributed to email user’s willingness to forward product messages to others. However, the conclusions on the effects of the two types of benefits are not necessarily consistent. In their study of restaurant Facebook page interaction, Kang et al. (2014) found that utilitarian benefits, including functional (informational) and monetary benefits, did not significantly predict consumers’ active participation behaviors.

The linkage between the two types of perceived benefits and parasocial relationship can be explained by social exchange theory. Based on reinforcement psychology and microeconomic principles, social exchange theory maintains that utility and rewards are needed to sustain a social relationship; a similar condition for an economic exchange (Emerson, 1976). Park and Kim (2014) suggested that high hedonic and utilitarian benefits provided by brands rendered consumers with a perception that brands devote efforts and investments in their relationship. Therefore, hedonic and utilitarian benefits can help brands foster a strong relationship with consumers.

**H3: Perceived utilitarian benefit positively affects consumer’s parasocial relationship with brands**
**H4: Perceived hedonic benefit positively affects consumers’ parasocial relationship with brands.**

Perceived information overload

Originateing from cognitive psychology, the information overload hypothesis suggests that there is an inversed-U shaped relationship between information volume and decision-making performance (Meyer, 1998; Miller, 1956; Speier, Valachich, & Vessey, 1999). Assuming that human information processing capacity is finite during any given unit of time, decision-making efficiency increases with the growth of information volume to a certain threshold, from which additional information becomes a hindrance (Meyer, 1998). Information overload, therefore, occurs when information supply surpasses human information processing capacity (Malhotra, Jain, & Lagakos, 1982).

Since its inception, the notion of information overload has been investigated in multiple business-related disciplines including marketing (Eppler & Mengis, 2004). Jacoby, Speller, and Kohn (1974a, 1974b) were pioneer researchers in observing information overload in the context of consumer shopping. Focusing on the effect of information load on buying decision quality and post-decision subjective states, the researchers (1974a, 1974b) manipulated information load as a multiplication of the number of brand alternatives and attributes under each brand. In addition, they operationalized decision-making quality as the deviance between actual choice and the preferred “best” choice, and subjective states including self-reported satisfaction, certainty, confusion, and desire for more information. Their study results found that consumers generally made poorer purchase decisions with richer information, although they felt more confident and certain as well as less confused with their choice. Although the validity of the conclusion by Jacoby et al.,(1974a, 1974b) was questioned due to methodological concerns (Malhotra, 1984; Malhotra, Jain, & Lagakos, 1982; Russo, 1974), the problem of information overload was
empirically observed among consumers subjected to sufficiently large information load (Malhotra, 1982).

While early marketing research concentrated on the effect of information load on cognitive choice and post-choice subjective states, later researchers argued that it was desirable to measure consumers’ perceptions of information overload, in addition to the objective units of information volume (Malhotra, 1982). Citing Milord and Perry (1977), Malhotra (1982) maintained that the necessity of such a subjective measure was justified by the individual variation in information processing ability and strategies. Researchers contended that individuals, who were exposed to the same stimuli, were likely to experience heterogeneous levels of overload perception because they had different internal filtering systems learned from their past experiences (Chen et al., 2009; Meyer, 1998). The individual characteristics related to the overload perception included task motivation (Malhotra et al, 1982), cognitive differentiation (Malhotra, 1982), experience and screening skills (Chen et al, 2009; Hiltz & Turoff, 1985), sensation-seeking level (Misra & Stokols, 2011), moods (LaTour, Puccinelli, & Mast, 2007), and socio-demographic information (Shirvastav, Collins, Hiltz, & Dwyer, 2012). Based on an extensive cross-disciplinary literature review, Eppler & Mengis (2004) revealed that personal characteristics, together with information characteristics, task and process parameters, organizational design, and information technology, were important information overload considerations.

The definition of perceived information overload, Chen et al. (2009), in the online shopping context, was referred to as “a perception of having too much product information to deal with while making a buying decision” (Chen et al., 2009, p. 50). The researchers posited that overload perception was an intervening factor between objective information overload
conditions (i.e. information volume and the availability of information filters) and subjective states toward the buying decision (e.g. feeling of best decision and desire for more information). Aligned with traditional information research (Jacoby et al., 1974 a, 1974b; Malhotra, 1982; Malhotra et al, 1982), Chen et al. operationalized information load as the product of number of brands (i.e., cell phones) and the number of attribute items. The study results showed that while information filtering tools could alleviate the overload perception, larger information volume nevertheless led to high overload perception, which resulted in consumer’s lower subjective state toward their decision.

The definition by Chen et al. (2009) highlights two aspects of overload perception uniquely related to their study context. One is that information load (“too much information”) is explicitly identified as a major cause of overload perception. However, previous research suggested other information characteristics, in addition to volume, were also critical causes of information overload. For instance, Scammon (1977) found that information format, namely nutrition information presented as a percentage of daily allowance or using adjective descriptors, appeared to affect consumers’ “most nutritious brand” identification as well as their post-decision satisfaction and additional need for information. Keller and Staelin (1987) found that information quality, defined as the usefulness of the available attribute information, increased decision accuracy while holding information quantity constant. Schneider (1987) also pointed out that information ambiguity, novelty, complexity, and relevancy affected consumer’s overload perception. A more recent study by Lee and Lee (2004) also considered the attribute level distribution (i.e., equal or unequal distribution) as an effective predictor of information overload on consumer choice.
Another aspect specified in the definition by Chen et al., 2009) is that consumers are motivated to acquire and process information for decision making due to the demands of the experiment. However, in many situations, consumer’s motivation to assimilate information is rather low (Malhotra et al., 1982). Browsing and absorbing information on social media can be one of these situations. Social media users are likely to go through information to keep them updated rather than with a specific decision to make. In this study, the two unique definitional elements in Chen et al’s (2009) online shopping study are modified to fit the context of information processing in social media, specifically Facebook. Perceived information overload is generally defined as the subjective perception Facebook users have towards the quantity and quality of information. Although some researchers conceptualized perceived information overload as a multi-dimensional construct consisting of the cognitive, affective, and conative attitudes (Koroleva, Krasnova, & Gunther, 2010), this study only focuses on user’s cognitive appraisal on information quantity (“too much information) and quality (e.g., relevancy or usefulness).

As noted by Bawden and Robinson (2009), the information overload issue is exacerbated by the development of internet and Web 2.0, the collection of technologies and tools for content co-creation and sharing. Recent research observed the existence of perceived information overload among Facebook users (Koroleva et al., 2010; Shrivastav et al., 2012). Koroleva et al. (2010) identified that information-based and network-based characteristics were the two general causes for user’s perceived information overload. As Facebook users expand their network and include more socially and geographically distant relationships, the content shared on NewsFeed and other site apps, increases significantly with decreased value, relevancy and understandability (Koroleva et al., 2010). These factors can contribute to user’s perceived information overload.
Shrivastav et al. (2012) also suggested push technology, which is useful for targeted advertisements that constantly send notifications and alerts to users, is another contributor of perceived overload.

The consequence of perceived information overload does not only include adverse decision-related performance (e.g. choice optimization) and subjective states (e.g. post-decision satisfaction, certainty, and confusion), but also general negative psychological outcomes including stress, anxiety, and a feeling of losing control or being overwhelmed (Bawden & Robinson, 2009). Behavioral reactions from overloaded information receivers include: failure to respond input, responding less accurately or incorrectly, storing information and delaying a response, systematically filtering irrelevant information, grouping (chucking) information, or quitting as an extreme case (Hiltz & Turoff, 1985). In the context of an open online network, Jones, Ravid, and Rafaeli (2004) found that when facing increasingly overloaded mass interactions, online newsgroup users tended to respond to simpler messages, generated simpler replies, and even terminated their active participation. Similarly, Koroleva et al. (2010) found that using heuristics, or simple persuasive cues to filter irrelevant messages, was an important coping strategy when Facebook users were overwhelmed with information. These heuristics can be friend-based, distance-based (posts from geographically distant friends), information-based (interesting and relevant), self-centered, and other explicit rules. Overloaded Facebook users were also likely to use other coping mechanisms including skipping and omitting posts, hiding and deleting people/information, account deactivation, as well as control of their network size and friending behaviors.

While brands can establish a parasocial relationship with Facebook users through interactions and self-disclosure, as described in previous sections, perceived information
overload on the site is considered a hindrance for building such a relationship. This proposition can be explained by social exchange theory, which suggests that a social relationship is the result of appraising costs and benefits (Emerson, 1976; Homans, 1958). While the interactions with brands on Facebook bring both experiential and utilitarian benefits, perceived information overload is likely to bring users stress and anxiety. Consequently, users can cope with the overwhelming amount of information by using filtering or omitting strategies for less relevant information. As the primary objective of Facebook is to connect with friends and family, users often have a weaker tie with brands, or view commercial entities as uninvited crashers (Fournier & Avery, 2011).

*H5: Perceived information overload negatively affects parasocial relationship.*

**Consequences of Consumer’s Parasocial Brand Relationship**

Online Consumer Brand Engagement

The concept of engagement has been studied in many disciplines including sociology, political science, psychology, and organizational behavior (Brodie et al., 2011). Drawing on the varying conceptualizations of engagement from multi-disciplinary literature, Hollebeek (2011) summarized that engagement is an individual-level and context-specific motivational variable resulting from two-way interactions between certain subjects and objects. In the organizational behavioral literature, for instance, employee engagement is viewed as an individual employee’s psychological connections and behavioral manifestations emerging from their interaction with various focal objects including co-workers, leaders, and organization. The valence and intensity of engagement level may vary in different contexts. Hollebeek (2011) further suggested that engagement can be viewed as a psychological state, behavioral outcome, or a combination of
both. Engagement can also be conceptualized as a process which constitutes a relevant sequenced engagement state.

It is not until recently that the concept of engagement attracted significant attention in the area of marketing. Customer engagement, consumer engagement, brand community engagement, consumer brand engagement are all similar concepts under different labels (Hollebeek, 2011). The rising popularity of consumer brand engagement is a result of the evolution of marketing theories and industry trends. Theoretically, the concept of consumer brand engagement has its root in the recently developed service-dominant logic, which emphasizes the co-creative and interactive experience between customers and brands (Vargo & Lusch, 2008). This perspective, which offers a transcending view of relationships, holds that customers are not passive recipients, nor are they co-producers in a mechanical sense. Rather customers are co-creators and interpreters of their own service experience (Vargo, 2009). This theoretical perspective significantly departs from the more traditional, transaction-based view of marketing relationships, which is the theoretical foundation for some key marketing concepts such as satisfaction and service quality (Vargo, 2009). Some scholars proposed that consumer brand engagement can be a stronger predictor of loyalty compared to satisfaction and service quality (Bowden, 2009; Hollebeek, 2011). The importance of consumer brand engagement is also partially attributed to the prevalence of web 2.0 applications such as blogs, social networks, and multimedia sharing. The life time value of customers is no longer defined only by their purchase behaviors, but also their referral value, influence value, and knowledge (customer feedback) value (Kumar et al., 2010).

Currently, the conceptualization of consumer brand engagement is still in its infancy, and lacks a consensus on its definition, dimensionality and operationalization (Hollebeek, 2011).
Buckingham (2008) argued for the applicability of extending the definition of employee engagement directly to consumer brand engagement, as employees can be viewed as internal customers for brands. Along this line, many scholars view consumer brand engagement as a multidimensional construct with both psychological (cognitive and affective) and behavioral aspects (Brodie & Hollebeek, 2011; Brodie, Illic, Juric, & Hollebeek, 2011; Brodie et al., 2011; Hollebeek, 2011; So, King & Sparks, 2014; So, King, Sparks, & Wang, 2014). Based on an extensive literature review on engagement, Hollebeek (2011) and Brodie et al. (2011) defined consumer brand engagement as a customers’ positively-valenced brand-related motivational outcomes characterized by specific levels of cognitive, emotional and behavioral activity. Following this definition, So et al. (2014) operationalized consumer brand engagement with five dimensions: enthusiasm (vigor), attention, absorption, identification, and interaction. So et al. (2014) also provided empirical evidence supporting consumer brand engagement, as a motivational variable, that drives brand evaluations, trust, and loyalty. In the context of social media, Brodie, Illic, et al. (2011) used netnographic analysis to explore consumer brand engagement activities with an online brand community. They confirmed that the existence of cognitive, affective, and behavioral interactions between customers and brands or other community members. Based on this tripartite conceptualization, Hollebeek, Glynn, and Brodie (2014) developed and validated a measurement scale of customer engagement with three social media brands, Facebook, Twitter, and LinkedIn. The ten-item engagement construct, consisting of three dimensions of cognitive processing, affection, and activation, was found to be influenced by customer involvement and predict customer’s self-brand experience and brand usage intent.

Another way of conceptualizing consumer brand engagement is to conceive it as a uni-dimensional construct focusing on either its cognitive, emotional or behavioral aspects (Van
Doorn et al., 2010). Within the uni-dimensional perspective, the dominant view focuses on the behavioral manifestation of engagement (Brodie et al., 2011). The behavioral perspective of engagement is evident in the work from both academics (Kumar et al., 2010; Van Doorn et al., 2010; Verhoef, Reinartz, & Krafft, 2010) and industry practitioners (Pew Research Center, 2015; Facebook, 2014b). Such a focus is seen in the engagement measurement by Facebook, which defines engagement rate as the percentage of unique people who clicked, liked, shared, or commented on a brand post. In the behavioral perspective, scholars generally agree that consumer brand engagement constitutes any behaviors beyond purchase including word-of-mouth (WOM) activity, recommendations, helping other customers, blogging, writing reviews, assisting in product creation, and even engaging in legal action (Van Doorn et al., 2010; Verhoef et al., 2010). The conceptualization of consumer brand engagement behavior, as Van Doorn et al. (2010) suggested, should consider its valence (positive or negative), forms or modality, scope (temporal and geographical), nature of impact (immediacy, intensity, longevity, and breath), and customer’s goals. Transferring the engagement construct to the context of a Facebook brand page, Jahn and Kunz (2012) defined engagement as Facebook user’s interactive and integrative participation in the brand page community. It was distinguished from brand page usage intensity, which includes passive content consumption without interactive participation (e.g. receiving coupons and reading information).

This study adopts the behavioral stance of consumer brand engagement. Based on a previous conceptualization within this perspective, online consumer brand engagement is defined as any positively valenced interactions, beyond purchase, between Facebook users and brands. This definition is conceptually similar with the one suggested by Jahn and Kunz (2012). In this regard, consumer brand engagement is conceptually distinct from the related marketing
constructs of customer involvement and customer participation. Customer involvement is generally defined as consumers’ interest and personal relevance based on their need, goals and value (Hollebeek, 2011; So et al., 2014). It is a cognitive and motivational state that drives customers to seek information to mitigate inherent risks in decision making (Bowden, 2009; Vivek, Beatty, & Morgan, 2010). Customer involvement, therefore, differs from consumer brand engagement in its nature, with the former a psychological state and the latter a behavioral outcome.

Another relevant construct to consumer brand engagement is customer participation. In some cases, these two terms are used interchangeably to describe the interactive behaviors among involved parties. For example, in their study on restaurant Facebook fan pages, Kang, Tang, and Fiore (2014) used active participation to describe Facebook users’ interactions with brands and other consumers in an online community. They suggested that the form of active participation behaviors included creating messages, disseminating information, and providing emotional support to others. Active participation, in this particular case, conceptually resembles consumer brand engagement defined here. However, some researchers argued that customer participation, in its traditional sense, is distinct from the concept of engagement (Vivek et al., 2010). Dabholkar (1990) viewed customer participation as the degree to which customers are involved in service production and delivery. This notion is based on the service characteristic of inseparability, which implies that customers have a mandatory production role to fulfill in a successful service exchange (Zeithaml, Bitner, & Gremler, 2006). While some customer participation activities are mandatory such as being physically present for service consumption, others are completely voluntary such as offering feedback to service providers. In this sense, customer participation has a broader scope than customer engagement, which is generally
measured by customer’s voluntary behaviors. Furthermore, the two concepts have different definitional emphases, with participation focusing on customer input and engagement on interactive behaviors.

In this study, consumer brand engagement is considered as a direct behavioral outcome of Facebook user’s parasocial relationship with brands. This hypothesized relationship is based on the uses and gratification theory proposed by Katz (1959, as cited in Jahn & Kunz, 2012). The theory suggests that people’s media usage behaviors are not simply a mindless pastime, but driven by certain gratification needs and goals. In the media and communication literature, parasocial relationships with media characters were found a key gratification need driving user’s media and media content choices (Baek et al., 2013; Conway & Rubin, 1991; Grant et al., 1991; Katz, Blumler, & Gurevitch, 1973; Rubin et al., 1985).

**H6: Parasocial relationship positively affects online consumer brand engagement behaviors**

**Brand Loyalty**

Brand loyalty is one of the central goals that all marketing activities aim to achieve. The benefit of brand loyalty lies in the notion of “customer lifetime value”, which estimates a customer’s spending over a lifetime of brand purchases minus the costs associated with producing and delivering the product or service (Shoemaker & Lewis, 1999; Baloglu, Zhong, & Tanford, 2014). Loyal customers are more likely to make repeat purchases, patronize frequently, refer others to the business, and engage in partnership behaviors such as providing feedback. They also tend to be less price-sensitive and more resistant to competitor’s offerings (Bowen & Shoemaker, 1998; Reichheld & Sasser, 1990; Shoemaker & Lewis, 1999). Therefore, brand loyalty is critically related to a company’s bottom line. Reichheld and Sasser (1990) found that
retaining 5% of customers would increase profits by 25% to 85% in the nine industries they investigated.

Traditionally, brand loyalty is defined and measured from the behavioral perspective (Dick & Basu, 1994). Behavioral measurements for brand loyalty include repeat purchases, share of wallet, positive word of mouth, and partnership behavior (Bridson, Evans, & Hickman, 2008; Leenheer, van Heerde, Bijmolt & Smidts, 2007; Mattila, 2006; Meyer-Waarden & Benavent, 2009; Sui & Baloglu, 2003; Wirtz, Mattila, & Lwin, 2007). However, measuring loyalty simply based on behavioral indicators has been criticized for its inability to capture the various reasons behind the behaviors (Dick & Basu, 1994; Li & Petrick, 2008). Customer’s loyal behaviors can be a result of situational constraints such as lack of other alternatives as well as genuine brand preference (Dick & Basu, 1994).

Some researchers, therefore, included the attitudinal dimension in the conceptualization of loyalty (; Baloglu, 2002; Day, 1969; Dick & Basu, 1994; Tanford & Baloglu, 2012). While there is a general consensus on the legitimacy of attitudinal loyalty, its operationalization is less consistent. Dick and Basu (1994) viewed loyalty as the strength of relationship between a customer’s relative attitude and repeat purchase. Relative attitude is referred to as the customer’s appraisal of a brand as compared to the other comparable options. Similarly, Bandyopadhyay and Martell (2007) operationalized attitudinal loyalty as brand liking in the context of toothpaste brand selection. Brand liking, in this case, was measured based on the number of positive toothpaste attributes. Alternatively, other researchers operationalized attitudinal loyalty as trust and/or emotional commitment (Baloglu, 2002; Bridson et al., 2008; Tanford & Baloglu, 2012). Trust is defined as customers’ confidence in a brand’s quality, integrity and reliability, while emotional commitment is their psychological identification and attachment with the brand. In
their segmentation studies for casino customers, Baloglu (2002) and Tanford and Baloglu (2012) identified four customer groups based on attitudinal and behavioral loyalty. These groups were labeled as low loyalty, latent loyalty, spurious loyalty, and true loyalty. They included trust and emotional commitment in measuring customer’s attitudinal loyalty. In addition, many studies have operationalized attitudinal loyalty as behavioral intention (also referred as conative loyalty), based on the argument that intention is an imminent antecedent for behaviors (Oliver, 1999; Ajzen, 1991).

As regard to which approach is appropriate to operationalize brand loyalty, Rundle-Thiele and Bennett (2001) suggested that the measurement of brand loyalty should vary across different industry categories. Based on an extensive review of brand loyalty measures, the researchers suggested that attitudinal loyalty might be a better predictor for industry categories such as service, which are characterized with a high degree of uncertainty and involvement. Following Rundle-Thiele and Bennett (2011), this study operationalizes brand loyalty as attitudinal loyalty, which consists of behavioral intention and commitment. Consistent with the relationship view of loyalty (Morgan & Hunt, 1994), this study proposes that consumer’s parasocial relationship with brands on Facebook is a significant predictor of their brand loyalty. According to Oliver (1999), while satisfaction is a necessary step in developing loyalty, it carries less weight once loyalty begins to form. Other psychological mechanisms, such as social bonding, become significantly influential in maintaining and developing loyalty. Previous media and communication literature on parasocial relationships also corroborate the role of relationships in building loyalty. It was found that media users were likely to continue their one-way relationship with the media figure beyond the program period. They are likely to search for more information about the media figure, talk about him to others, and attempt to contact him in
person (Ballantine & Martin, 2005). Investigating television viewer’s attitudes towards their favorite characters, Branch, Wilson, & Angew. (2013) provided empirical support that viewer’s personal efforts in their parasocial relationship significantly predicted their commitment towards their character. In addition, this study also proposes that consumer’s engagement behaviors positively affects brand loyalty. Jahn and Kunz (2012), in their study investigating the effect of Facebook brand page on loyalty, found that the use intensity and user’s engagement level significantly influence consumer’s loyal brand.

**H7: Parasocial relationship positively affects brand loyalty**

**H8: Online consumer brand engagement behavior positively affects brand loyalty**

### Generational Differences and Proposed Model

**Generational Differences**

The term of “generational cohort” describes a group of people who were born in the same general time span and share key life experiences and historical events (Maier, 2011). Generational theory maintains that members of a generation generally share similar views, values, and attitudes, a resultant indelible imprint of their shared experience during their early formative years (Dou, Wang, & Zhou, 2006; Maier, 2011; Schewe & Meredith, 2004). Despite inconsistent labels, it is largely agreed that there six distinct generational cohorts in the United States. They are, from the oldest to youngest, the Greatest Generation (Pre-Depression Generation), Silent Generation (Depression Generation), Baby Boomers, Generation X (GenX), Generation Y (Millenials) and Generation Z- Post Millennials (Pew Research Center, 2010; Williams & Page, 2011). The three largest generational groups in the current US population are Baby Boomers, GenX, and Millennials. According to the U.S. Census Bureau, Millennials are projected to reach 75.3 million in 2015, surpassing the 74.9 million Boomers and 66 million
GenX and becoming the largest living generation in the country (Fry, 2015). The earning and spending power of Millennials is also expected to rise rapidly, as they have started or will start their professional career. A recent report by the World Economic Forum (2013) indicated that Millennials in the U.S. are projected to earn as much as $3.4 trillion annually by 2018 and spend more than $2.45 trillion annually by 2015.

This study focuses on the three largest generational cohorts in the U.S., and compares Millennials with GenXers. Generally, an individual’s birth year is used to define generational membership, although the defining years are not consistent across studies (Pew Research Center, 2010). This study adopts the generational definition used in the 2010 Pew research report on Millennials, arguably the most comprehensive generational study in the U.S. (Ferguson, 2012).

GenXers were born in a challenging period between 1965 and 1980, which was characterized with economic recessions, high unemployment, increasing divorce rates, and family instability (Maier, 2011). As a result, Genxers tend to have a more pessimistic and disillusioned outlook about job stability, and a greater need for balancing work and personal life. The Millennials were born between 1981 and 2000, and currently are between the ages of 15 and 34 years old. Quite different from GenXers, they were born into a rapidly paced and technologically connected society with global boundaries increasingly vague. The Millennial generation is characterized with instant gratification, technology savviness and optimism (Williams & Page, 2011).

Many of the writings on Millennials revolve around their avid use of technology and changing media-consumption habits (Barton, Fromm, & Egan, 2015). When asked what makes your generation unique, 24% of Millennials indicated technology use was the top reason, while 12% of Genxers suggested technology use while Baby Boomers reported work ethic as the top
reason (Pew Research Center, 2010). Millennials also heavily rely on social network sites. An industry report by Boston Consulting Group showed that 46% of US Millennials have 200 or more Facebook “friends”, more than double the percentage of non-Millennials – 19% (Barton, Fromm, & Egan, 2015). A similar conclusion was reached by the 2010 Pew research report, which found that 75% of Millennials have a personal profile on social networking sites, as compared to 50% of GenXers and 30% of Baby Boomers.

Anecdotal evidence also suggested that there are generational differences in consumer brand engagement behaviors offline and online. Generally, Millennials seem to be more active in engaging brands online than their older generations. According to a report by Boston Consulting Group, 53% of the Millennials surveyed indicated that they explored brands on social networks sites, as compared to 37% of older generational members. Millennials (33%) more than older cohorts (17%) prefer brands that maintain Facebook pages and mobile websites (Barton et al., 2015). Perhaps due to their impulse for instant gratification, Millennials seem to be more motivated by tangible benefits. Ferguson (2012) surveyed 2000 US consumers, and found that Millennials are more likely to promote products or share personal information with marketers for rewards than their older cohort counterparts. The two groups may also have different information overload perceptions on Facebook because of their varying information processing ability associated with age. Phillips and Sternthal (1977) found that older consumers (starting from age 45 years old) have a lower ability to learn when marketing information was presented rapidly or mixed with irrelevant content, and in a context, which they were less experienced. Currently, little systematic research has investigated the generational differences in brand engagement and loyalty as well as the underlying psychological mechanism. This study represents an exploratory effort in investigating this issue. As evidence suggests there could be
generational differences in consumer perceptions and brand engagement behaviors, this study includes this as a hypothesis.

**H9: There are significant differences in some hypothesized linkages between the Millennial group and its older generation**

**Hypothesized Model**

This study uses the parasocial relationship theoretical framework to understand online consumer brand engagement behaviors and offline brand loyalty intention. Borrowing the parasocial relationship concept from the media and communication literature, the study proposes that consumers are likely to develop one-sided relationship with brands, much like TV viewers or radio listeners with media personae. Facebook is posited as an innovative communication vehicle between brands and consumers, and various media-related variables, including perceived hedonic benefits, utilitarian benefits, information overload, interactivity and self-disclosure, are influential in molding consumer’s parasocial relationship. This study further suggests that parasocial relationship is an important reason for consumers to engage with brands on line and develop attitudinal loyalty offline. Considering the different characteristics between the Millennials and its older generation, the hypothesized conceptual linkages are also tested between the two groups. The proposed conceptual model (Figure 2) can be described in the following hypotheses.

**H1:** Perceived interactivity positively affects parasocial relationship.

**H2:** Perceived self disclosure positively affects parasocial relationship

**H3:** Perceived utilitarian benefit positively affects consumer’s parasocial relationship with brands
H4: Perceived hedonic benefit positively affects consumers’ parasocial relationship with brands.

H5: Perceived information overload negatively affects parasocial relationship.

H6: Parasocial relationship positively affects online consumer brand engagement behaviors

H7: Parasocial relationship positively affects consumer’s brand loyalty

H8: Online consumer brand engagement behaviors positively affect brand loyalty

H9: There are significant differences in some hypothesized linkages between the Millennial group and its older generation.
Figure 2. Conceptual Model
Chapter 3
Research Design and Methodology

This chapter describes the research design, data collection, and data analysis that will be used to test the hypothesized model, which specifies the linkages among consumer’s parasocial relationship, its five antecedents, and two consequences. This chapter consists of three main sections. This chapter first starts by presenting the research design including sampling, and survey instruments. The second section presents pilot study procedures and data collection procedures. The third section of this chapter provides a series of statistical analysis procedures.

Research Design

Positing Facebook as an effective communication tool between brands and consumers, this study utilizes a quantitative approach, in the form of a survey, to investigate the influence of consumer’s parasocial relationship on their online engagement behaviors with brands and their offline loyalty intention. Perceived hedonic benefits, utilitarian benefits, interactivity, self-disclosure, and information overload are selected as media-related antecedents which influence the level of consumer’s parasocial relationship with brands. Consumer’s brand attitude and past experience with brands are controlled to mitigate the confounding effects of brand-related variables on the model. The hypothesized relationships in the model are also tested for potential differences between the Millennial group and its older generation.

Sampling Plan

The sample frame for this study is any active Facebook user in the US who have followed and interacted with a hospitality brand on this social networking site. Three criteria are used to select appropriate participants: 1) active on Facebook; 2) follow a hospitality company’s
A probability sample is drawn from a Qualtrics panel consisting of nearly 4 million consumers in the US who have agreed to participate in periodical surveys (Leung, Bai, & Stahura, 2013). Specifically, a systematic random sampling method (based on sampling intervals) is used to select a list of 5000 potential participants. Each potential participant is sent an invitation email for this study, and the collected results are post-stratified with equal representation of the Millennial group and its older generation. Zikmund (2003) stated, “drawing a probability sample from an established consumer panel or other prerecruited member panel is a popular, scientific, and effective method for creating a sample of internet users” (p. 395). Typically, sampling from an established panel yields a high response rate and a low attribution or dropout rate because of member’s previous agreement in cooperation. Since the demographic characteristics and other information of the panel members have been collected, researchers are able to construct customized samples such as demographically representative samples (Pollard, 2002; Zikmund, 2003). In addition, panels can provide a cost and time efficient solution for those studies, which are otherwise expensive to facilitate (Pollard, 2002). While the robustness of panel survey results has been questioned due to its self-selection bias, studies have shown that panel samples generally provide reliable and valid outcomes, similar to those from randomly selected non-panel samples (Market Facts, 1994; Pollard, 2002).

**Survey Instrument**

The survey questionnaire consists of four parts. The first part includes four qualifying questions. The respondents are first asked whether they are a Facebook user. When the answer is positive, they are instructed to think of a hotel brand that they interact with the most on Facebook
over the last 6 months. “Interact” is referred to as behaviors beyond mere observation including liking, commenting, sharing brand posts and responding to other brand page member’s messages. The respondents are then asked to answer three additional questions: 1) What is this hotel brand? 2) Are you a member of this hotel brand’s fan page on Facebook? (Yes or no) and; 3) Have you interacted with the hotel brand in the past 6 months? 4) How frequently do you interact with this brand on Facebook, 5) Describe the interaction experiences and feelings associated with this hotel brands. Respondents are asked to keep this memory in mind while answering the rest of the survey. The purpose of this memory elicitation technique, as indicated by Labrecque (2014), is to maintain the salience and vividness of past specific brand interactions during the survey completion. Only those subjects, who can recall the brand name, belong to a brand page community, and have interacted with the brand on Facebook, are included in this study.

The second part of the questionnaire includes three questions, and they are related to respondents’ attitude towards and history with the brand. Based on the study by Jahn and Kunz (2012), respondent’s attitude is measured by four statements using a 7-point Likert scale. Then respondent respondents are asked to indicate their past experience of doing business with the brand offline. Lastly, respondents are instructed to indicate their agreement level on three statements regarding their brand involvement.

The third section of the questionnaire measures the eight key variables in this study. Measurements for all variables consisted of multiple items that are developed based on existing literature and modified to fit the context of this study. All of the measurement items are rated on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

**Perceived utilitarian and hedonic benefits**
Perceived utilitarian and hedonic benefits are the value that Facebook users gain from interacting with the content from the brand page. Perceived utilitarian benefits (PUB) include five statements, which are adapted from a combination of items on “functional benefits” (Jahn & Kunz, 2012; Kang et al. 2014; Park & Kim, 2014) and “monetary benefits” (Kang, Tang, & Fiore, 2014). Examples of items include “This brand provides up-to-date information of its service, products and company on Facebook” and “This brand provides special offers (e.g. discounts, promotions) to me on Facebook.”. Perceived hedonic benefit (PHB) is measured by modifying a pool of items on “experiential benefits” (Park and Kim, 2014), “hedonic benefits” (Jahn & Kunz, 2012; Kang et al. 2014), and “social–psychological benefits (Kang et al. 2014). Two examples are “This brand provides entertaining content on Facebook” and “I gain a sense of belonging in a community through my interactions with the brand page on Facebook”.

**Perceived Interactivity and Self-Disclosure**

Perceived interactivity and self-disclosure represent Facebook users’ evaluative judgements on the brand’s character based on message-level heuristics. The three measurement items of perceived self-disclosure are adopted from the scale of “perceived openness” developed by Labreque (2014) and slightly modified by adding “on Facebook” to reflect the study context. “I feel that the brand is open in sharing information on Facebook” is one exemplary “perceived self-disclosure” item. In addition, perceived interactivity consists of five statements. These statements are adapted from the “perceived interactivity” scale by Labreque (2014) and Wu (2005). The items reflecting “perceived responsiveness” and “perceived personalization” in Wu’s (2005) scale are used, but not the ones for “perceived control”. That is because the “perceived control” dimension does not fit with the conceptualization of the perceived interactivity in the study. Examples of “perceived interactivity” items include “the brand would
respond to me quickly and efficiently on Facebook” and “I felt like that the brand listened to what I had to say on Facebook”.

**Perceived Information Overload**

Perceived information overload (PIO) is a site-level variable measuring Facebook user’s overall perception of information load of the whole social networking site. The PIO measurement scale is comprised of six items, four of which are adapted from the scale used by Chen, Shang, & Kao (2009) in context of a cellphone e-store. Two additional items are adapted from the qualitative study on Facebook information overload by Koroleva, Krasnova, & Günther (2010). These two items are “it takes me more efforts to pick out the information I am curious about because of the brand information appearing on Facebook” and “it is really annoying to have my News Feed page filled with brand information”.

**Parasocial Relationship and its Consequences**

The parasocial relationship scale is composed of six measurement items. All of them are directly adopted from the scale used by Labreque (2014). Example items for this scale include “This brand makes me feel comfortable, as if I am with a friend on Facebook”, “When I interact with the brand, I feel included”, and “I can relate to this brand in many ways.”.

The two proposed consequences of parasocial relationship are online consumer brand engagement behaviors and brand loyalty. The six measurement items for engagement behaviors are modified from the “customer engagement” scale (So, King, & Sparks, 2014; So, King, Sparks, & Wang, 2014) and the “active participation” scale used by Kang et al. (2014). In addition, the brand loyalty scale is comprised of seven statements, which are adapted from the work by Jahn and Kunz (2012) and So et al. (2014)
Lastly, the fourth part of the survey includes questions regarding respondents’ demographic and socio-economic information including gender, age, education level, employment level, and annual income. This part also has a question to ask for respondent’s Facebook usage frequency. Based on a recent Pew survey on social media usage (Pew Research Center, 2015), five frequency descriptors, from less often to several times a day, are used in this study, while respondents have the option to select “I do not know”.

Pilot Study and Data Collection

A pilot test was conducted between May 5th and May 27th, 2015 to check the wording as well as ensure the face validity and internal consistency of the measurement scales prior to the final data collection. The pilot study included two steps. First, the developed questionnaire was thoroughly reviewed by the dissertation committee and six undergraduate students. This step resulted in the addition of a brief description of the general hotel brand marketing activities on Facebook and a few wording modifications.

The second step in the pilot test was conducted with the modified survey using an online consumer panel on Amazon Mechanical Turk. A total of 231 respondent completed the self-administrated survey questionnaire between May 23rd and 27th, 2015. A series of exploratory factor analysis was conducted for items belonging to each of the eight focal constructs. The purpose of these analyses was to determine whether items represent the corresponding factor and whether the factor loadings are acceptable. This procedure was indicated to decrease error variance of indicator correlations prior to confirmatory factor analysis (CFA) to test the measurement model (Yoon & Uysal, 2005).

The principle component analysis was used as the extraction method, and varimax(orthogonal) were employed as rotation methods. Both eigenvalue criteria larger than 1
and scree plot were used to identify the number of factors. The procedure used a factor cutoff loading value of 0.4 for item inclusion, a value within the range recommended by Hair, Black, Banbin and Anderson (2010) to ensure practical significance of factors. Furthermore, the reliabilities of factors were assessed by Cronbach’s Alpha.

The EFA results of the eight latent constructs are shown in Appendix B. All constructs except information overload were one-dimension constructs, and all indicators had loadings larger than 0.6. No items were removed from crossing loading issue. The variance explained by each construct ranged from 61% to 73.7%, which met the threshold criterion of variance in social science (60%) as suggested by Hair et al.(2010). In addition, the Cronbach alphas of these seven constructs ranged between 0.817 and 0.94, indicating sound internal consistency.

In term of information overload, one item “I can effectively handle all of the information on Facebook, regardless the amount of brand posts on the site” was reverse coded and included to the EFA with other 5 items. The initial EFA result indicated one-dimension solution, with a relatively low explained variance (52.6%). Further examination on the result identified that the eigenvalues of the second factor was 0.971 and the variance explained by the two-factor solution was increased to 74.9%. Therefore, the number of factors for items of information overload was fixed to two. The two-factor solution for information overload is presented in Appendix B. Factor one of information overload contained 5 items, and all of them emphasized surplus information respondents observed from Facebook. This Factor had a Cronbach Alpha of 0.89. Factor two included only one item, the reverse coded item, and highlighted the self-efficiency respondents perceived in handling overflowing information. As a result, the five items for Factor one in information overload were included in the subsequent data analysis. The reverse coded item would be retained in the final data collection, as it could bring interesting insight.
To ensure a clean factor structure among all eight constructs of interest and explore potential measure issues, all 43 items (except the reverse coded item for information overload) were put into an EFA test, with the principle component analysis as the extraction method and orthogonal (varimax) as rotation method. The criterion for determining factor number was Eigen value larger than one. The EFA resulted in 6 factors, explaining 72.9% of variance and most items were grouped under their corresponding constructs. However, the EFA results indicated two potential areas that warranted attention in final data collection. First, the three items measuring perceived self-disclosure all had a cross-loading issue with other items, and were deleted in the analysis. This indicates that the measure could be problematic. To address this, a new measure for perceived self-disclosure was adapted from the communication openness dimension of the organizational transparency measure developed by Rawlins (2009). Rawlings (2009) suggested that organizational openness in communication was related to a company’s degree of information control and the power in a relationship. This conceptual definition is similar to what is defined as perceived self-disclosure in this study. The four items for openness (i.e. perceived self-disclosure here) were added in our questionnaire for final data collection. These measurement items are: 1) The communication this hotel brand has with me on Facebook is sincere; 2) The communication this hotel brand has with me on Facebook is consistent; 3) The communication this hotel brand has with me on Facebook is open; 4) The communication this hotel brand has with me on Facebook is truthful.

Another potential problem area was that items of parasocial relationship and active participation were grouped as one factor. This could suggest that parasocial relationship and active participation might not have sufficient discriminant validity. Further examination on the raw data revealed that this could be caused by a straight-lining issue rather than the measures
themselves. Straight-lining occurred when respondents selected the same response for a set of items. The measurement items of parasocial relationship and active participation were placed in a separate block next to each other, and more than 10% cases have a straight-lining issue across the items of these two constructs. This finding served as a reminder for examining straight-lining issue in the final data collection.

**Data Collection**

The final data collection was conducted using a US consumer panel established by Qualtrics during two-week period between June 2nd and 17th (See the survey in Appendix D). Our target respondents are Facebook users in the USA who satisfy the following criteria: 1) they are aged between 18 to 50 years old (Millennials versus GenXers), 2) they have interacted with a hotel brand on Facebook in the past 6 months; 3) they are members of the hotel brand fan page on Facebook.

At this research design stage, extra care was taken to minimize the potential common method variance (CMV) biases, which are variance biases attributed to measurement method rather than the constructs the measures represent (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Podsakoff et al. (2003) suggested that CMV biases were particularly prevalent in perception-based survey, and biases could come from various sources including social desirability, leniency biases, and acquiescence biases (yes or nay saying). Based on the remedies recommended by Chang, Van Witteloostuijn, and Eden (2010), this study adopted the following ex-ante research design strategies to minimize potential (CMV) bias. First, at the beginning of the survey, respondents were assured of confidentiality and anonymity of the study. They were also encouraged to answer the questions as honestly as possible, and they were explained there was no preferable answer in this survey. Second, measurement items of focal construct were
randomly placed in each block, and all blocks were randomized. Counterbalancing the order of questions, as Chang et al. (2010) pointed out, made it less likely for respondents to combine related items to create the correlations needed to produce the CMV-biased responses. Third, an attention check question- “At this stage, your attention is very important to the study. Please indicate your approach to the survey”- was incorporated in the middle of the survey. The respondents were asked whether they skim, read the survey carefully, or not understand the survey. Only those who reported reading the survey carefully were directed to complete the survey. As a result, a total of 623 respondents completed the survey, and the median completion time was 8 minutes.

The online survey method, other than mail or telephone interview, is considered appropriate in this study, because our targeted sample is active Facebook users. Although an internet sample can under-represent certain groups such as lower-income individuals (Chaudhuri, Flamm, & Horrigan, 2005; Zikmund, 2003), this limitation is irrelevant to this study because non internet users will not be target consumers of the brand activities on Facebook. In addition, online data collection has the advantage of being time and cost efficient, and diminish interview bias and misbehaviors associated with telephone surveys (Braunsberger, Wybenga, & Gates, 2007).

**Data Analysis**

**Data Screening and Preparation**

Data screening and preparation consisted of three steps: (1) dealing with invalid and straight-lining responses; (2) dealing with missing observations in the data file; (3) checking the data set for errors and outliers; and (3) screening the data to check the normality, linearity, homoscedasticity, and muticollinearity of observed variables.
Seventy four respondents, who used less than 5 minutes (approximately 2/3 of the median time), did not provide valid hotel brand name they interacted, or did not give gibberish interaction description, were excluded from survey. As a result, 549 cases were retained. In addition, another 158 cases were removed, because of straight-lining issue across measurement items of all 8 focal constructs or within each block. A total of 391 cases were used in the next step of analysis.

It is critical to deal with missing data because they can produce biased results and jeopardize the accuracy, statistical power, and validity of the results (Sinharay, Stern, & Russell, 2001). In this study, no missing was found because the online survey approach ensured participants did not miss any questions in order to complete the survey. Data error and outliner detection could be performed at both univariate and multivariate levels (Hair, Black, Babin & Anderson, 2010). First, univariate outliners were checked with descriptive statistics (e.g. maximum and minimum value). The result of a series of frequency tests showed that all responses fell within the scale from 1 to 7, and therefore no data error or outliners presented. At a multivariate level, Mahalanobis’ $D^2$ measure was used, and cases with a $D^2/df$ between 3 and 4 in a large sample were considered as outliners. The results of this test did not indicate any outliner in the sample.

Based on the suggestion by Hair et al. (2010), assumption of univariate normality was checked with the data distribution shape (i.e. skewness and kurtosis) and normality plots, and linearity was visually inspected based on a scatter plot matrix. Levene tests were used to validate the homoscedasticity assumption. The results of all these test indicated that the linearity, normality, and homoscedasticity assumptions were largely met. The multicollinearity issue was
examined using variance inflation factors (VIF). No VIFs were larger than 3, suggesting no multicollinearity issue existed.
Structural Modelling

The prepared data were then subjected to confirmatory factor analysis. The purpose of this analysis was to establish the convergent and discriminant validity of the focal latent variables in the study. Then, multi-group structural equation modeling (SEM) was employed to test the hypothesized relationships. The structural models were evaluated individually for the two groups (Millennials and GenXers), followed by an invariance test. The models are tested using AMOS 22 software.

The evaluation of the model adequacy was based on several indicators including CMIN/df, the comparative fit index (CFI), root mean square error of approximation (RMSEA), and its lower and upper confidence interval boundaries. In addition, standardized residuals and the results of modification index were inspected along with the investigators’ knowledge of the data and the theoretical aspects of the research.

Summary

This chapter discusses the research design as well as the data collection and analysis procedure for this study. The study sets the sample frame as any active US Facebook user who follow and interact with a hotel brand on its site, and uses a Qualtrics consumer panel. The collected data are analyzed using multi-group SEM to estimate the difference between the Millennial group and GenXers group in the hypothesized relationship. The results of data analysis are discussed in the next chapter.
Chapter 4

Results

The objective of this chapter is to present results of the study. First, a description of respondent characteristics including sociodemographic information, Facebook use frequency, and hotel brands they interacted the most on Facebook. Second, the measurement model was evaluated, based on which convergent and discriminant validity was examined. The descriptive statistics of the indicators for each factor in terms of means, reliabilities, and correlations are provided. The final section includes the results from structural equation modeling and group analysis.

Respondent Characteristics

Socio-demographics of Respondents

Table 1 presents the socio-demographic information of the sample. Overall, the sample (n=391) was evenly split into the Millennial group (n=200) and the GenXer group (n=191). The average age of Millennials respondents was 26.5 years old and 41 years old for GenXer respondents. The majority of respondents (74.4%) were Caucasians, and other ethnicities were represented in a similar percentage- Lations/Hispanics (9.5%), African Americans (7.7%), and Asians or Pacific Islanders (7.2%). Most of the respondents indicated that they had some forms of college education- from -Some college education such as associate degree (40.2%), undergraduate degree (24%), and graduate degree, professional degree or above (18.9%). Their annual income spread fairly even on different levels- 20.2% of respondents earned less than Less than $30,000 per year, 24.3% between $30,000- $49,999, 27.1% between$50,000-74,999, and 28.4% made $75,000 or above. In term of employment status, a large proportion of respondents
were currently employed (68.3%), while 10.5% were attending school and unemployed. The remainder 21.2% respondents were neither in school nor employed.

Table 1

Socio-Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Characteristics of respondents</th>
<th>N</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Millenials (18-34 years old)
| GenXers (35-50 years old)                                          | 200 | 51.2        |
| 191                                                                 | 48.8|
| **Education**                                                      |     |             |
| High school grad or less                                           | 66  | 16.9        |
| Some college education                                             | 157 | 40.2        |
| Undergraduate degree                                               | 94  | 24.0        |
| Graduate degree, professional degree (J.D., M.D), and above        | 74  | 18.9        |
| (Ph.D.)                                                            |     |             |
| **Annual Income**                                                  |     |             |
| Less than $30,000 per year                                        | 79  | 20.2        |
| $30,000-$49,999                                                    | 95  | 24.3        |
| $50,000-$74,999                                                    | 106 | 27.1        |
| $75,000 or above                                                   | 111 | 28.4        |
| **Employment status**                                              |     |             |
| In school, and unemployed                                         | 41  | 10.5        |
| Employed, not in school                                            | 227 | 58.1        |
| In school, and employed                                           | 40  | 10.2        |
| Neither in school nor employed                                     | 83  | 21.2        |
| **Ethnicity**                                                      |     |             |
| Caucasian                                                          | 291 | 74.4        |
| African American                                                   | 30  | 7.7         |
| Latinos or Hispanics                                               | 37  | 9.5         |
| Asian or Pacific Islander                                          | 28  | 7.2         |
| Others                                                             | 5   | 1.3         |

*Note:* a- the average age of the Millenials group is 26.5 years old. b-the average age of the GenXers group is 41 years old
Facebook Usage Frequency and Hotel Brands

A majority of the respondents were frequent Facebook users. Almost three quarters of respondents used Facebook several times a day, and another 18.7% used the site at least once a day. The three leading hotel brands, which the respondents interacted the most on Facebook and had fan page membership, were Hilton brands (33%), Marriott flagship brands (19.9%), and Intercontinental Hotel Group brands (11.3%). Table 2 listed the statistics on respondents’ Facebook usage frequency and hotel brands they interacted the most on Facebook.

Table 2
Respondents’ Facebook Usage Frequency and Hotel Brands They Interacted with

<table>
<thead>
<tr>
<th>Facebook Interaction Characteristics</th>
<th>N</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook use frequency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Several times a day</td>
<td>290</td>
<td>74.2</td>
</tr>
<tr>
<td>About once a day</td>
<td>73</td>
<td>18.7</td>
</tr>
<tr>
<td>A few days a week</td>
<td>24</td>
<td>6.1</td>
</tr>
<tr>
<td>Every few weeks</td>
<td>2</td>
<td>0.5</td>
</tr>
<tr>
<td>Less often</td>
<td>2</td>
<td>0.5</td>
</tr>
<tr>
<td>Hotel Brands</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hilton brands</td>
<td>129</td>
<td>33.0</td>
</tr>
<tr>
<td>Marriott brands</td>
<td>78</td>
<td>19.9</td>
</tr>
<tr>
<td>IHG brands</td>
<td>44</td>
<td>11.3</td>
</tr>
<tr>
<td>Starwood’s brands</td>
<td>18</td>
<td>4.6</td>
</tr>
<tr>
<td>Hyatt Hotel</td>
<td>15</td>
<td>3.8</td>
</tr>
<tr>
<td>La Quinta Inns &amp; Suites</td>
<td>13</td>
<td>3.3</td>
</tr>
<tr>
<td>Choice Hotel brands</td>
<td>11</td>
<td>2.8</td>
</tr>
<tr>
<td>Best Western</td>
<td>10</td>
<td>2.6</td>
</tr>
<tr>
<td>Disney Hotels</td>
<td>9</td>
<td>2.3</td>
</tr>
<tr>
<td>Wyndham brands</td>
<td>8</td>
<td>2.0</td>
</tr>
<tr>
<td>Other brands</td>
<td>56</td>
<td>14.3</td>
</tr>
</tbody>
</table>
Generational Comparison on Their Characteristics

As Table 3 shows, there was no significant difference in education and Facebook use frequency between the two generational groups. Unsurprisingly, the proportion of Millennials who are in school, either currently employed or unemployed, was significantly higher than Genxers. As a result, Millennials earned less annual income. Approximately 30% of Millennials reported an annual income of less than $30,000 per year, as compared to 10.5% for GenXers. On the contrary, about 40% Genxers indicated an annual income of $75,000 or more while only 19.5% of Millennials reached this income level. The distribution of ethnicity was also significantly different between the two generational groups in our sample. There was a larger percentage of Hispanic respondents in the Millennial group (14.7%) than in the GenXers group (4.7%), and more Caucasians in the GenXer group (77%) than in its younger cohort (68.5%)
Table 3
**Respondents’ Characteristics Comparison between Millennials and GenXers**

<table>
<thead>
<tr>
<th>Characteristics of respondents</th>
<th>Millennials*</th>
<th>GenXers**</th>
<th>( \chi^2 ) Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caucasian</td>
<td>68.5</td>
<td>77.0</td>
<td>0.022</td>
</tr>
<tr>
<td>African American</td>
<td>8.0</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>Latinos or Hispanics</td>
<td>14.0</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
<td>8.0</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>1.5</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td>0.172</td>
</tr>
<tr>
<td>High school grad or less</td>
<td>18.5</td>
<td>15.2</td>
<td></td>
</tr>
<tr>
<td>Some college education</td>
<td>44.0</td>
<td>36.1</td>
<td></td>
</tr>
<tr>
<td>Undergraduate degree</td>
<td>21.0</td>
<td>27.2</td>
<td></td>
</tr>
<tr>
<td>Graduate degree, professional degree (J.D., M.D), and above (Ph.D.)</td>
<td>16.5</td>
<td>21.5</td>
<td></td>
</tr>
<tr>
<td>Annual Income</td>
<td></td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Less than $30,000 per year</td>
<td>29.5</td>
<td>10.5</td>
<td></td>
</tr>
<tr>
<td>$30,000-$49,999</td>
<td>23.5</td>
<td>25.1</td>
<td></td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>27.5</td>
<td>26.7</td>
<td></td>
</tr>
<tr>
<td>$75,000 or above</td>
<td>19.5</td>
<td>37.7</td>
<td></td>
</tr>
<tr>
<td>Employment status</td>
<td></td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>In school, and unemployed</td>
<td>16.5</td>
<td>4.2</td>
<td></td>
</tr>
<tr>
<td>Employed, not in school</td>
<td>48.0</td>
<td>68.6</td>
<td></td>
</tr>
<tr>
<td>In school, and employed</td>
<td>16.0</td>
<td>4.2</td>
<td></td>
</tr>
<tr>
<td>Neither in school nor employed</td>
<td>19.5</td>
<td>23.0</td>
<td></td>
</tr>
<tr>
<td>Facebook use frequency</td>
<td></td>
<td></td>
<td>0.536</td>
</tr>
<tr>
<td>Several times a day</td>
<td>75.5</td>
<td>72.8</td>
<td></td>
</tr>
<tr>
<td>About once a day</td>
<td>16.5</td>
<td>20.9</td>
<td></td>
</tr>
<tr>
<td>A few days a week</td>
<td>6.5</td>
<td>5.8</td>
<td></td>
</tr>
<tr>
<td>Every few weeks</td>
<td>0.5</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Less often</td>
<td>1.0</td>
<td>0.0</td>
<td></td>
</tr>
</tbody>
</table>

*Note.*  

N=200; **N=191
Measurement Model

Original Measurement Model

The measurement model specified eight latent variables based on literature review and the EFA results in our pilot test: hedonic benefits (5 items), utilitarian benefits (5 items), interactivity (5 items), perceived self-disclosure (4 items), information overload (5 items excluding the reverse coded item), parasocial relationship (6 items), active participation (6 items), and loyalty (7 items). It should be noted that the measurement model used the new 4-item measure of perceived self-disclosure (Rawling, 2009) instead of the original 3-item measure (Labreque, 2014). This decision was based on the pilot test results, which showed that the latter had cross-loading issue with other construct measurement items. In the measurement model, each indicator was constrained to load only the factor that it was designated to measure, residual terms for all indicators were fixed to be uncorrelated, and no equality constraints on factor loading were imposed. Factor covariances were set to be estimated freely. The measurement model was run with the total sample size of 391.

For the overall sample, goodness-of-fit indices indicated that the measurement model fit the data marginally well: $\chi^2 (875, n=391) = 1817.529, p = 0.000, CFI = 0.917; \text{RMSEA} = 0.053$ (90% confident interval, 0.049-0.056). Factor loadings were all statistically significant, $ps < 0.001$, with coefficients ranging from 0.572 to 0.860. Variances of the indicators accounted for by their corresponding constructs ranged from 0.327 to 0.739. Most factor correlations were statistically significant, $ps < 0.05$, except 5 pairs of correlations with information overload (e.g. information overload VS self-disclosure, utilitarian benefits, hedonic benefits, parasocial relationship, and loyalty). The factor loadings and factor correlations were then used to evaluate the eight constructs’ convergent and discriminant validity.
As Table 4 showed, all latent constructs had good reliability. The composite reliability scores for all eight constructs were between 0.837 to 0.924. They were all larger than the threshold values of 0.7 (Hair, Black, Babin, & Anderson, 2010). All constructs also had an average variances extracted (AVE) exceeding the recommended value of 0.5, with a range from 0.511 to 0.635 (Hair et al., 2010). However, various constructs displayed discriminant validity issue, as evidenced by the inter-construct squared correlations being larger than the AVE of its respective construct (Fornell & Larcker, 1981). Table 4 identified six cases where there was insufficient discriminant validity (A,B,C,D,E,F). In case A (Table 4), the AVE of 0.635 for active participation was lower than 0.666, the shared variance between active participation and hedonic benefits. Hence, it indicated a discriminant validity issue between active participation and hedonic benefits. Similar issue was found between interactivity and self-disclosure, interactivity and utilitarian benefits, utilitarian benefits and parasocial relationship, as well as hedonic benefits and parasocial relationship.

To improve discriminant validity among latent constructs, Farrell (2010) recommended performing exploratory factor analysis (EFA) to identify items which cross-load. A series of EFA were first conducted separately for each pair of the six constructs that were not discriminant (e.g. all but information overload and loyalty). Cross-loading items in each analysis were removed. Then, a final EFA with the remaining items from all constructs was conducted, to ensure a uni-dimension solution for each construct. In all EFA, The principle component analysis was used as the extraction method, and varimax(orthogonal) were employed as rotation methods. Both eigenvalue criteria larger than 1 and fixed number of factors were used to identify factor solutions. The procedure used a factor cutoff loading value of 0.4 for item inclusion.
### Table 4

*Original Measurement Model - Construct Correlations, Reliability, and Validity Analysis*

<table>
<thead>
<tr>
<th></th>
<th>Participation</th>
<th>Interactivity</th>
<th>Disclosure</th>
<th>overload</th>
<th>UBenefits</th>
<th>HBenefits</th>
<th>Parasocial</th>
<th>Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation (0.924)</td>
<td>0.635&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.626&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.527</td>
<td>0.205</td>
<td>0.651</td>
<td>0.816</td>
<td>0.726</td>
<td>0.465</td>
</tr>
<tr>
<td>Interactivity (0.837)</td>
<td>0.392&lt;sup&gt;c&lt;/sup&gt;</td>
<td>0.511</td>
<td>0.805</td>
<td>0.133</td>
<td>0.734</td>
<td>0.649</td>
<td>0.660</td>
<td>0.615</td>
</tr>
<tr>
<td>Disclosure (0.886)</td>
<td>0.278</td>
<td>0.648&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.661</td>
<td>-0.026 &lt;sup&gt;ns&lt;/sup&gt;</td>
<td>0.703</td>
<td>0.625</td>
<td>0.669</td>
<td>0.644</td>
</tr>
<tr>
<td>Info-overload (0.866)</td>
<td>0.042</td>
<td>0.018</td>
<td>0.001</td>
<td>0.566</td>
<td>-0.020&lt;sup&gt;ns&lt;/sup&gt;</td>
<td>0.005&lt;sup&gt;ns&lt;/sup&gt;</td>
<td>-0.099&lt;sup&gt;ns&lt;/sup&gt;</td>
<td>-0.103&lt;sup&gt;ns&lt;/sup&gt;</td>
</tr>
<tr>
<td>Ubenefits (0.861)</td>
<td>0.424</td>
<td>0.539&lt;sup&gt;c&lt;/sup&gt;</td>
<td>0.494</td>
<td>0.000</td>
<td>0.556</td>
<td>0.778</td>
<td>0.889</td>
<td>0.648</td>
</tr>
<tr>
<td>Hbenefits (0.844)</td>
<td>0.666&lt;sup&gt;A&lt;/sup&gt;</td>
<td>0.421</td>
<td>0.391</td>
<td>0.000</td>
<td>0.605&lt;sup&gt;D&lt;/sup&gt;</td>
<td>0.521</td>
<td>0.850</td>
<td>0.574</td>
</tr>
<tr>
<td>Parasocial (0.888)</td>
<td>0.527</td>
<td>0.436</td>
<td>0.448</td>
<td>0.010</td>
<td>0.790&lt;sup&gt;E&lt;/sup&gt;</td>
<td>0.723&lt;sup&gt;F&lt;/sup&gt;</td>
<td>0.570</td>
<td>0.738</td>
</tr>
<tr>
<td>Loyalty (0.919)</td>
<td>0.216</td>
<td>0.378</td>
<td>0.415</td>
<td>0.011</td>
<td>0.420</td>
<td>0.329</td>
<td>0.545</td>
<td>0.620</td>
</tr>
</tbody>
</table>

*Note:* All correlations were statistically significant, p < 0.05, except values marked with <sup>ns</sup> (non-significant). UBenefit= Utilitarian Benefits; HBenefits= Hedonic Benefits. Italic values indicate constructs which have discriminant issues.

*<sup>a</sup>* Correlations are located above the diagonal ;  *<sup>b</sup>* Entries on the diagonal is AVE;  *<sup>c</sup>* Entries below the diagonal is squared correlations ;  *<sup>d</sup>* Values in parenthesis are “composite reliability”.  

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The table in Appendix C presented the result of the final EFA and reliability analysis. After a series of EFA, a total of ten cross-loading items were removed from these analyses (see Appendix E for deleted items). The remaining twenty seven items generated a six-factor solution, which explained 71.45% of the variance. All factor loadings were between 0.522 to 0.846. The Cronbach alphas of these six constructs were all above 0.7, with a range between 0.79 and 0.920.

To understand the generational differences in the perception of the eight major constructs in the study, the items belonging to each constructs were averaged, and an independent t-test was conducted. Table 5 presented the results. There was no significant difference between Millennials and GenXers in all constructs, except perceived information overload. Millennials (M=3.86) have a significantly higher level of perceived information overload of Facebook as compared to GenXers (M= 3.35). Previous studies suggested that frequent Facebook visitors were subject to more irrelevant information and excessive information load (Shrivastav, Collins, Hiltz, & Dwyer, 2012). However, the results of a chi-square test showed that the proportions of Millennials who visit Facebook several times a day, about once a day, or less often were not significantly different from those of GenXers, \( \chi^2(4, N = 391) = 3.129, p > 0.05 \). In other words, the difference in perceived information overload might not be attributed to varying use frequency of Facebook. It is also worth of noting that the generational difference in parasocial relationship was approaching the significant level of 0.05. GenXers (M=5.57) reported a stronger parasocial relationship with hotel brands than their younger cohort (M=5.39).
Table 5

Independent T-test Results - Generational Differences in Eight Major Constructs

<table>
<thead>
<tr>
<th></th>
<th>Millennials(^a)</th>
<th>GenXers(^a)</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedonic Benefits</td>
<td>5.34 (0.91)</td>
<td>5.35 (0.88)</td>
<td>0.875</td>
</tr>
<tr>
<td>Untilitarian Benefits</td>
<td>5.10 (1.04)</td>
<td>5.22 (1.00)</td>
<td>0.260</td>
</tr>
<tr>
<td>Information Overload</td>
<td>3.86 (1.29)</td>
<td>3.35 (1.30)</td>
<td>0.000</td>
</tr>
<tr>
<td>Interactivity</td>
<td>4.93 (1.20)</td>
<td>5.00 (0.99)</td>
<td>0.531</td>
</tr>
<tr>
<td>Self Disclosure</td>
<td>5.21 (1.05)</td>
<td>5.24 (0.96)</td>
<td>0.773</td>
</tr>
<tr>
<td>Parasocial Relationship</td>
<td>5.39 (0.93)</td>
<td>5.57 (0.96)</td>
<td>0.058</td>
</tr>
<tr>
<td>Active Participation</td>
<td>4.61 (1.27)</td>
<td>4.48 (1.25)</td>
<td>0.311</td>
</tr>
<tr>
<td>Loyalty</td>
<td>5.30 (1.03)</td>
<td>5.42 (1.02)</td>
<td>0.275</td>
</tr>
</tbody>
</table>

Note: \(a\)- the columns display the construct means and standard deviations in the brackets.

Modified Measurement Model

The result of the final EFA was used to modify the measurement model. The goodness-of-fit indices of the modified model were improved, and the model fit the data very well: \(\chi^2\) (499, n= 391) = 916.551, \(p = 0.000\), CFI = 0.949; RMSEA = 0.046 (90% confident interval, 0.042-0.051). Factor loadings were all statistically significant, \(ps < 0.001\), with coefficients ranging from 0.635 to 0.865. Variances of the indicators accounted for by their corresponding constructs ranged from 0.383 to 0.745. The modified measurement model was also tested for both Millenials group and GenXers Group. The model fit both samples. For the Millenials group, \(\chi^2\) (499, n= 200) = 766.085, \(p = 0.000\), CFI = 0.936; RMSEA = 0.052 (90% confident interval, 0.044-0.059). As for the GenXers group, \(\chi^2\) (499, n= 191) = 846.712, \(p = 0.000\), CFI = 0.917; RMSEA = 0.061 (90% confident interval, 0.053-0.068).

As showed in Table 6, all latent constructs had good reliability with all composite reliability scores larger than 0.7 and AVE larger than 0.5 (Hair, Black, Babin, & Anderson 2010). All constructs, except self-disclosure and interactivity, hedonic benefits and parasocial relationship, and utilitarian benefits and parasocial relationship, has sound discriminant validity.
To statistically assess the discriminant validity of the three pairs of potential indiscriminant constructs, paired construct tests were conducted based on the suggestion by Anderson and Gerbing (1988, cited in Farrell, 2009). According to Anderson and Gerbing (1988), a constrained model, in which correlation estimate between two constructs is constrained to be 1, is compared to an unconstrained model whereby this parameter is freely estimated. If the chi-square value of the unconstrained model, with a drop of one degree of freedom, is at least 3.84 lower than the constrained model, then two-factor solution fit the data better and the discriminant validity between them is established.

All three pairs of constructs met this discriminant validity criterion: $\chi^2_{\text{unconstrained}} (13, n=391) = 47.369$ and $\chi^2_{\text{constrained}} (14, n=391) = 52.603$ for perceived interactivity and self-disclosure; $\chi^2_{\text{unconstrained}} (8, n=391) = 17.890$ and $\chi^2_{\text{constrained}} (9, n=391) = 40.302$ for hedonic benefits and parasocial relationship; $\chi^2_{\text{unconstrained}} (8, n=391) = 17.890$ and $\chi^2_{\text{constrained}} (9, n=391) = 9.005$ for utilitarian benefits and parasocial relationship. These test results, hence, lent support for the discriminant validity among the three pairs of constructs.
### Table 6
*Modified Measurement Model- Construct Correlations, Reliability, and Validity Analysis*

<table>
<thead>
<tr>
<th></th>
<th>Participation (0.919)&lt;sup&gt;d&lt;/sup&gt;</th>
<th>Interactivity (0.777)</th>
<th>Disclosure (0.886)</th>
<th>Info-overload</th>
<th>UBenefits (0.784)</th>
<th>HBenefits (0.796)</th>
<th>Parasocial (0.812)</th>
<th>Loyalty (0.919)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>0.654&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.593&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.514</td>
<td>0.221</td>
<td>0.683</td>
<td>0.680</td>
<td>0.585</td>
<td>0.447</td>
</tr>
<tr>
<td>Interactivity</td>
<td>0.352&lt;sup&gt;c&lt;/sup&gt;</td>
<td></td>
<td>0.752</td>
<td>0.125</td>
<td>0.718</td>
<td>0.584</td>
<td>0.500</td>
<td>0.538</td>
</tr>
<tr>
<td>Disclosure</td>
<td>0.264</td>
<td>0.566&lt;sup&gt;b&lt;/sup&gt;</td>
<td>0.661</td>
<td>-0.030&lt;sup&gt;ns&lt;/sup&gt;</td>
<td>0.664</td>
<td>0.581</td>
<td>0.637</td>
<td>0.644</td>
</tr>
<tr>
<td>Info-overload</td>
<td>0.049</td>
<td>0.016</td>
<td>0.001</td>
<td>0.564</td>
<td>0.062&lt;sup&gt;ns&lt;/sup&gt;</td>
<td>-0.093&lt;sup&gt;ns&lt;/sup&gt;</td>
<td>-0.183</td>
<td>-0.107&lt;sup&gt;ns&lt;/sup&gt;</td>
</tr>
<tr>
<td>UBenefits</td>
<td>0.466</td>
<td>0.516</td>
<td>0.441</td>
<td>0.004</td>
<td>0.55</td>
<td>0.716</td>
<td>0.774</td>
<td>0.591</td>
</tr>
<tr>
<td>HBenefits</td>
<td>0.462</td>
<td>0.341</td>
<td>0.338</td>
<td>0.009</td>
<td>0.513</td>
<td>0.567</td>
<td>0.770</td>
<td>0.548</td>
</tr>
<tr>
<td>Parasocial</td>
<td>0.342</td>
<td>0.250</td>
<td>0.406</td>
<td>0.033</td>
<td>0.599</td>
<td>0.593</td>
<td>0.591</td>
<td>0.741</td>
</tr>
<tr>
<td>Loyalty</td>
<td>0.200</td>
<td>0.289</td>
<td>0.415</td>
<td>0.011</td>
<td>0.349</td>
<td>0.300</td>
<td>0.549</td>
<td>0.62</td>
</tr>
</tbody>
</table>

*Note: All correlations were statistically significant, p < 0.05, except values marked with “ns” (non-significant). UBenefit= Utilitarian Benefits; HBenefits= Hedonic Benefits. Italic values indicate constructs which have discriminant issues.  
  <sup>a</sup> Correlations are located above the diagonal;  
  <sup>b</sup> Entries on the diagonal is AVE;  
  <sup>c</sup> Entries below the diagonal is squared correlations;  
  <sup>d</sup> Values in parenthesis are “composite reliability”.*

### The Structural Model

To examine the goodness of fit of the hypothesized model, the measurement model was then re-specified by imposing the structural relationships among all eight variables. In the model, utilitarian benefits, hedonic benefits, interactivity, self-disclosure, and information overload were hypothesized to significantly affect respondents’ parasocial relationship with hotel brands, which in turn significantly affects their active participation behaviors with hotel brands on Facebook and brand loyalty. The model also hypothesized that consumers’ active participation behaviors could positively affect their brand loyalty.

The hypothesized model fit the data marginally, $\chi^2 (519, n= 391) = 1651.363, p = 0.000$, CMIN/DF= 3.182, CFI = 0.861; RMSEA = 0.075 (90% confident interval, 0.071-0.079). The
modification indices suggested adding multiple potential paths and correlations. Particularly, the direct path from information overload to active participation was deemed reasonable and was added to the model. Previous literature suggested perceived information overload could result in adverse decision-related performance (e.g. choice optimization) and general negative psychological outcomes including stress, anxiety, and a feeling of losing control or being overwhelmed (Bawden & Robinson, 2009). Consumers are very likely to avoid or stop participating with the hotel brands, which are the source of stress and anxiety due to the overwhelming amount of information provided. In addition, the correlation between utilitarian and hedonic benefits and the one between interactivity and self-disclosure, which were suggested by the modification index, were also considered reasonable and added to the model. That was because both hedonic and utilitarian benefits were related to content benefits, and interactivity and self-disclosure were associated with message cues. The modified model had an improved model fit: $\chi^2 (516, n= 391) = 1242.337, p = 0.000$, $\text{CMIN/DF} = 2.408$, $\text{CFI} = 0.911$; $\text{RMSEA} = 0.060$ (90% confident interval, 0.056-0.064). Figure 3 presented the path diagram.
Figure 3. The Final Structural Model with Regression Paths and Added Correlations.

Note. *** p < 0.001, ns = non significant. Broken lines indicate added paths.

The added correlation between utilitarian and hedonic benefits was significant (r= 0.714, p<0.001), so was the correlation between interactivity and self-disclosure (r= 0.753, p<0.001). The added path from information overload to active participation was also significant.

Surprisingly, information overload had a significant positive effect on active participation (β=0.374, p<0.001). The results also showed that interactivity did not significantly affect parasocial relationship (β=-0.086, p> 0.05), neither did active participation on loyalty (β=-0.087, p> 0.05). These results refuted Hypotheses 1 and 8. As proposed in the hypothesis 6 and 7, parasocial relationship significantly influenced active participation (β = 0.680, p < 0.001) and
brand loyalty ($\beta = 0.765, p < 0.001$). The results indicated that respondents with higher levels of parasocial relationship with a hotel brand more actively interacted with the hotel brand on Facebook and reported stronger brand loyalty. About 51\% variance of active participation was explained by parasocial relationship and information overload. In addition, parasocial relationship and active participation explained 51.1\% variance of loyalty.

All antecedents, except interactivity, significantly affected consumers’ parasocial relationship. The effect of utilitarian benefits ($\beta = 0.439, p < 0.001$) on parasocial relationship was comparable with the one of hedonic benefits ($\beta = 0.427, p < 0.001$) and self-disclosure ($\beta = 0.384, p < 0.001$). These results lent statistical support for Hypotheses 2, 3, and 4. The more hedonic and utilitarian benefits consumers received from a hotel brand’s posts and the more transparent consumers perceive the hotel brands on Facebook, the higher level of parasocial relationship they develop. As expected, information overload was found to negatively affect parasocial relationship, ($\beta = -0.182, p < 0.001$). An overwhelming amount of information on Facebook is not conducive in developing consumer’s parasocial relationship with a hotel brand. In total, approximately 78\% of the variance in parasocial relationship was explained by the aforementioned four predictors: utilitarian benefits, hedonic benefits, self-disclosure and information overload.

The modified structural model was tested for each generational group, and the model the data of the two groups reasonably. For the Millennials group, $\chi^2 (516, n= 200) =939.769, p = 0.000, CMIN/DF= 1.821, CFI = 0.899; RMSEA = 0.064 (90\% confident interval, 0.058-0.071)$. As for the GenXers group, $\chi^2 (516, n= 191) =1014.123, p = 0.000, CMIN/DF= 1.965, CFI = 0.881; RMSEA = 0.071 (90\% confident interval, 0.065-0.078).
The invariance of structural coefficients between two groups was then examined. Table 7 presented the test results. All path coefficients were invariant except the one from utilitarian benefits to parasocial relationship and from hedonic benefits to parasocial relationship. The results showed that utilitarian benefits had a stronger effect on parasocial relationship for the Millenials group than its older generational cohort ($\beta_{\text{Millenials}} = 0.504, \beta_{\text{Genxers}} = 0.25 \ p < 0.1$). On the other hand, hedonic benefits had a stronger effect on parasocial relationship for the GenXers group, as compared to the Millennials group ($\beta_{\text{Millenials}} = 0.329, \beta_{\text{Genxers}} = 0.641, \ p < 0.05$).

Table 7

*Group Analysis Results: Millennial Group VS GenX Group*

<table>
<thead>
<tr>
<th>Regression Paths</th>
<th>$\beta_-$ Millennial</th>
<th>$\beta_-$ GenX</th>
<th>Absolute difference</th>
<th>P value for difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interactivity to Parasocial</td>
<td>-0.030</td>
<td>-0.140</td>
<td>0.110</td>
<td>ns</td>
</tr>
<tr>
<td>Self-disclosure to Parasocial</td>
<td>0.430**</td>
<td>0.348***</td>
<td>0.082</td>
<td>ns</td>
</tr>
<tr>
<td>Info-overload to Parasocial</td>
<td>-0.154*</td>
<td>-0.148*</td>
<td>0.014</td>
<td>ns</td>
</tr>
<tr>
<td>Ubenefits to Parasocial</td>
<td>0.504***</td>
<td>0.250*</td>
<td>0.254</td>
<td>p&lt;0.1</td>
</tr>
<tr>
<td>Hbenefit to Parasocial p</td>
<td>0.329***</td>
<td>0.641***</td>
<td>0.312</td>
<td>p&lt;0.05</td>
</tr>
<tr>
<td>Parasocial to Participation</td>
<td>0.712***</td>
<td>0.661***</td>
<td>0.051</td>
<td>ns</td>
</tr>
<tr>
<td>Info-overload to Participation</td>
<td>0.285***</td>
<td>0.412***</td>
<td>0.127</td>
<td>ns</td>
</tr>
<tr>
<td>Parasocial to Loyalty</td>
<td>0.799***</td>
<td>0.758***</td>
<td>0.041</td>
<td>ns</td>
</tr>
<tr>
<td>Participation to Loyalty</td>
<td>-0.074</td>
<td>-0.145</td>
<td>0.071</td>
<td>ns</td>
</tr>
</tbody>
</table>

*Note:*** $p < 0.001$, ** $p<0.005$, * $p<0.05$, ns = non-significant, UBenefit= Utilitarian Benefits, HBenefits= Hedonic Benefits.*
Chapter 5

Discussion and Conclusion

This chapter reviews the major findings of this study and draws conclusions based on the results. The chapter is arranged in three parts. First, the results of the study are summarized and interpreted. Then the theoretical and practical contributions are presented. The last part of this chapter discusses the limitations of the study and suggests opportunities for future research.

Review of Study Findings

This study investigated the psychological mechanisms that underlie consumer’s relationship development with hotel brands on Facebook and the consequences of such a relationship. Particularly, this study posited that Facebook, as an interactive communication media, presented the opportunity for a parasocial relationship, a one-sided illusionary relationship, between consumers and hotel brands. This study proposed that hotel brands developing parasocial relationships on Facebook was not only affected by the benefits of the posted content (e.g. hedonic and utilitarian benefits) and the cues it sent to consumers through message exchanges (e.g. perceived interactivity and self-disclosure), but also consumer’s perceived information overload of the whole social site. Consumers’ parasocial relationship was proposed to encourage their active participation behavior with hotel brands on Facebook and brand loyalty. Consumers’ active participation in turn was likely to strengthen their brand loyalty. In addition, this study proposed that there were potential differences between Millennials and GenXers in the way that parasocial relationship is formed and its outcomes.

The Antecedents of Parasocial Relationship

The overall structural model results supported that parasocial relationship was significantly affected by both content benefits, utilitarian benefit ($\beta = 0.439$) and hedonic benefit
(\(\beta = 0.427\)). The two types of benefits were also significantly correlated (\(r= 0.714\)). Most existing literature has been concerned with the effects of content benefits on consumers’ participation intention or behavior. For example, Jahn and Kunz (2011), investigated brands from various industries and found that higher hedonic and functional benefits of Facebook brand pages increased consumer’s fan page use intensity. The effects of content benefits on brand relationship were also examined by Park and Kim (2014). They concluded that both hedonic and utilitarian benefits positively affected consumers’ perception of a brand’s relationship investment. However, only hedonic benefit significantly influenced their perceived relationship quality with the brand on social networks. This study differed from extant research by taking a theoretical perspective in mediated communication, and examining the effect of content benefits on parasocial relationship. Based on social exchange theory, it was hypothesize that content benefits were necessary in building a parasocial relationship, and the study results provided empirical supporting evidence, which adds new insights to the existing literature.

The study also found that utilitarian benefits have a stronger contribution to parasocial relationships for the Millennials (\(\beta_{\text{Millennials}} = 0.504\), \(\beta_{\text{Genxers}} = 0.25\)), while hedonic benefits were more important for the GenXers (\(\beta_{\text{Millennials}} = 0.329\), \(\beta_{\text{Genxers}} = 0.641\)). In other words, Millennials focused more on the tangible rewards and efficient communication through Facebook, whereas the GenXers put a premium on the entertaining content posted by brands. This finding is interesting, as it appears to corroborate the claim by industry reports that Millennials are all about instant gratification (Barton et al., 2015, Ferguson, 2012). Millennials were found to be more likely to promote brands or provide personal information with marketers in exchange for rewards (Ferguson, 2012).
In terms of antecedents related to message cues, perceived self-disclosure was found to significantly affect parasocial relationship ($\beta = 0.384$), but not perceived interactivity ($\beta = -0.086$). The findings only partially coincide with the study results reported by Lacbreque (2014). In her study, Lacbreque (2014) used both survey and experimental methods to examine the roles of the two message-cue antecedents on parasocial relationship in the context of social media marketing. She concluded that both perceived openness (i.e. self-disclosure) and interactivity significantly contributed to fostering parasocial relationship. It should be noted that the inconsistency of the findings in these two studies might not suggest contradicting results. As a matter of fact, the results of the two studies might not be suitable for direct comparison due to differences in construct measurement, industry context, focal social platforms, and theoretical frameworks tested. These differences include: 1) The measure of perceived self-disclosure in the final data analysis was not the one adopted from Lacbreque’s (2014) study, because the latter measurement items cross-loaded with other items; 2) This study only investigated the hotel industry and Facebook, while Lacbreque’s (2014) study incorporated brands from various industries (e.g. retailing and product manufacturers) and diverse social platform (e.g. company blogs, Twitter, and alike); 3) While Lacbreque’s (2014) study focused on the effects of perceived interactivity and openness on parasocial relationship, this study included other explanatory factors.

Lastly, the study results showed that perceived information overload on Facebook negatively affected parasocial relationship ($\beta = -0.182$). While no previous studies on information overload investigated it effects on parasocial relationship, perceived information overload was found to generate adverse psychological reactions and under-performing decision making (Bawden & Robinson, 2009; Chen, Shang, & Kao, 2009). In this study, respondents
generally did not consider themselves overwhelmed with too much information on Facebook, which was evidenced by a moderate mean of 3.61 on a seven-point scale for perceived information overload. Within such a manageable range of information load, building parasocial relationships with consumers still can harmed by increased perceptions of information overload. This perhaps can be explained by what Fournier and Avery (2011) observed, consumers primarily consider Facebook as a channel to connect with friends and family, they often have a weak tie with brands. Therefore, a slight information overload perception could annoy consumers and hurt the building of parasocial relationships.

Unexpectedly, this study also found perceived information overload positively affected active participation ($\beta=0.374$). Jones, Ravid, and Rafaeli (2004), in their study concerning interactions in an online newsgroup, found that in mass interactions, users tended to respond to simpler messages, make simpler messages, or even terminate their participation. As perceived information overload could generate negative psychological outcomes such as stress and anxiety, consumers should decrease or determine their participation. Yet, the study results showed the opposite direct, and there are a couple of potential reasons. As noted above, respondents in this study’s sample did not view Facebook as cluttered with too much information. As a matter of fact, they viewed themselves as highly capable of managing the information. This is evidenced by a relatively high mean of the reverse coded item of perceived information overload ($M=5.35$, $sd=1.16$)-“I can effectively handle all of the information on Facebook, regardless the amount of brand posts on the site”. In addition, it is rather convenient and effortless to participate with brands on Facebook by simply click “like” or “share” or leave a simple comment (Jahn & Kunz, 2012; Wirtz et al., 2013). Therefore, it is reasonable that consumers participated more, when
more brand information was funneled to their Facebook, especially when they determined that
the brand information was not overwhelmingly superfluous.

**Outcomes of Paraosocial Relationship**

The study results also showed that parasocial relationship was a critical predictor for
consumer’s online active participation ($\beta = 0.680$) and loyalty ($\beta = 0.765$). Previous studies in
media communication have found that audiences’ parasocial relationship with a media figure can
increase their media use intensity (Grant, Guthrie, & Ball-Rokeach, 1991; Rubin, Perse, &
Powell, 1985) and influences their program selection (Rubin & Step, 2000). In the marketing
literature, Lacbreque’s (2014) study revealed that consumer’s paraosocial relationship with a
brand positively affected their willingness to provide personal information and brand loyalty.
Aligned with previous literature, the results of this study add more empirical evidence to support
the notion that parasocial relationship is a strong psychological driver for behaviors and intention
(Ballantine & Martin, 2005).

Interestingly, active participation behavior did not significantly influence consumer’s
brand loyalty. That could result from the low threshold of participation with brands on Facebook.
Previous literature on brand community has noted that the minimal effort required from users to
participate can lead to a wider level of mental/affective engagement and possibly affect their
community mentality (Jahn & Kunz, 2012; Wirtz et al., 2013). The finding of this study
empirically confirm the contention, and lent support to the industry’s strategic shift of focusing
on building superior relationship quality over participation quantity.
**Theoretical Contributions**

This research is among the first studies to apply parasocial relationship theory from the mediation communication literature to investigate consumer participation behaviors on social media and brand loyalty. It extends the social media marketing and brand loyalty literature by utilizing a fresh perspective from a different discipline. In previous social media marketing studies, the major theoretical perspectives used were the use and gratification theory (Jahn & Kunz, 2012; Rohm, Kaltcheva, & Milne, 2013), brand relationship theory (Park & Kim, 2014; Pentina et al, 2013), and brand community building (Kang, Tang, & Fiore., 2014; Laroche et al, 2013). For example, Kang et al (2014) positioned restaurant brand page on Facebook as an embedded online brand community. They provided empirical support that various content benefits (e.g. hedonic and psychological-social benefits) was a key motivation for consumers’ active participation, which was conducive to developing trust and commitment among community members. By incorporating parasocial relationship in the model, the current study found that the positive relationship between active participation and loyalty was rendered insignificant. The results also showed that active participation behaviors- frequent likes and shares- was not sufficient for developing loyalty. Loyalty was primarily predicted by consumer’s parasocial relationship with hotel brands on Facebook. Mere participation without a relationship was not sufficient to cultivate loyalty. The inclusion of parasocial relationship presents a clearer picture on the development of brand loyalty through social media marketing.

Also, this study provides a relatively comprehensive theoretical framework to understand the psychological underpinnings of parasocial relationship development. In social media marketing, hotel brands communications are embedded in a social site. Therefore, the development of consumer parasocial relationship is not only affected by the factors within the
brand’s control- content benefits and message exchange, but also the characteristics of the overall site. Although it was not an exhaustive list, this study incorporated three major sets of factors: content benefits (utilitarian and hedonic benefits), message-cue (perceived interactivity and self-disclosure) and social-site related (perceived information overload). Much previous literature solely focuses on either benefit-related factors (Jahn & Kunz, 2012; Kang et al, 2014) or message-cue factors (Labrecque, 2014). The concept of perceived information overload has been generally discussed in descriptive studies or industry reports as an important deterring factor for consumer’s engagement with brands on social media (Heller Baird & Parasnis, 2011). Yet, it has seldom been investigated and confirmed. This study illustrated a sound predictive strength of all antecedents in explaining approximately 78% of the explained variance in parasocial relationship. This study also showed that respondents, hotel brand page members who generally use Facebook quite frequently, were not overwhelmed by information on Facebook. Their participation with hotel brands was not hindered by their information overload perception.

Moreover, this study represents an initial effort in understanding the generational differences in the psychological underpinnings of consumer relationship development, online participation behaviors, and brand loyalty building on social media. This effort is especially meaningful, given the industry’s rising interest on Millennial consumers. Although many industry reports have been recently produced to understand the different characteristics of the Millennials compared to their older generations (Barton, Fromm, & Egan, 2015; Ferguson, 2012; Pew Research Center, 2010), a majority of existing academic research on social media marketing has not examined the effects of generational differences (Kang et al., 2014; Labrecque, 2014, Laroche, Habibi, & Richard, 2013; Jahn & Kunz, 2012, Park & Kim, 2014; Pentina, Gammoh, Zhang, & Mallin, 2013). The one exception is a study by Rohm et al. (2013),
in which motivations for brand interaction on social media were investigated among different age
groups. The researchers found that users aged 20 to 21 years old were more likely to interact with
brands for entertainment and brand identification purposes than those over 21 years old. The
current study went beyond age differences, and focused on the differences between the
Millennials and GenXers on their relationship and engagement with brands on Facebook.
Specifically, Millennials had a higher level of perceived Facebook information overload, even
though they did not visit the social site more frequently than GenXers. The study also uncovered
that utilitarian benefits were a stronger driver for Millennials to interact with hotel brands on
Facebook, whereas hedonic benefits were more important for GenXers. The findings add new
insights to the existing literature on social media marketing, and serves as an initial step to
stimulate more academic research in understanding the generational differences in social media
marketing.

Lastly, this study only focuses on one social platform - Facebook and one industry-hotel.
This enables the study to capture the psychological mechanism and consequences of customer’s
parasocial relationship with brands in a more precise fashion. As noted in the literature review,
Facebook is currently the largest social network site in terms of active users, and it is one of the
dominant platforms that the hospitality industry utilizes for marketing (Kim & Connolly, 2013).
However, due to its distinct functionality and structure, Facebook can produce different
relationships and content compared to other social sites including Twitter and Youtube (Smith et
al., 2012). Despite of the heterogeneity among many social platforms, most previous studies
generally investigated a multitude of social sites, and overlooked their potential effects on
relationship development and generated content (Erdoğan & Cicek, 2012; Labrecque, 2014,
Laroche et al., 2013 Pentina et al., 2013). Similarly, many studies also examined various
industries or celebrity brands together, and did not consider the individual characteristics of each industry (Jahn & Kunz, 2012; Labrecque, 2014, Laroche et al., 2013). Jahn and Kunz (2012), after studying consumer engagement of brands of various domains, recognized the importance of understanding each specific industry and encouraged future research to compare industries or brands (e.g. manufacturing versus service industries). By focusing on only one social site and industry, this study clearly demonstrated the role of Facebook marketing in developing consumer relationships and brand loyalty for the hotel industry.

**Practical Contributions**

This study addressed one of the current trends in the hotel industry - the rising popularity of social media marketing, particularly on Facebook. As of 2013, Facebook was listed as the second-largest digital ad seller behind only Google in term of sales volume (Emarketer, 2013b). In an industry report on digital engagement, Kim and Connolly (2013) reported that 98% of the hotel corporations participating in the study used Facebook for marketing, trumping other social media sites. Recently, leading hotel chains such Marriott International and Kimpton Hotels and Restaurants have experimented by linking social media engagement activities with their reward programs in hopes of boosting brand engagement and loyalty (Schaal, 2014; Trejos, 2014).

For hotel marketers, this study validates the effectiveness of Facebook marketing and its return on investment by demonstrating its effect on creating brand loyalty through parasocial relationship. Although a recent report reveals that most consumers indicate social media has no bearing over their purchase decision (Gallup Inc., 2012), our study shows that Facebook is able to cultivate consumer’s brand loyalty from a relationship perspective.

The study results also provide the hotel industry with a guideline for best practices. More specifically, hotel brands, which offer real benefits, both utilitarian and hedonic, and appear open
and sincere to consumers, are able to build parasocial relationship and brand loyalty. Although there are concerns that using sales promotions to entice consumer’s participation on social media can diminish brand value and profitability in the long run (Schultz & Peltier, 2013), this study shows that utilitarian benefits (including sales and promotion information) are important in building paroasocial relationship. It should be noted that efficient communication is part of the utilitarian benefits consumers expect from Facebook, and needs to be maintained. In addition, entertaining and pleasant content needs to be provided in proportion to utilitarian content. Funny videos, interactive games, and aesthetic pictures can be used to achieve this. Fournier and Avery (2011) suggested that marketers need to be flexible and opportunistic when creating content and adapt to current events and trends. Hotel brands need to connect with the new generation of the empowered consumers with authentic stories and consistent information. Labrecque (2014) showed that brands can appear more open to their consumers by revealing their company history, owner’s personal story, and offer “behind the scene” tours.

In addition, our study indicated that consumers generally did not feel overloaded with excessive information on Facebook. As a matter of fact, a higher information load could increase their participation behaviors, yet reduces their parasocial relationship. The finding suggests that hotel marketers are walking a fine balance between being informative and annoying in terms of post frequency. They need to post frequently enough so that they can keep consumers engaged, yet not too much to drive them away. The optimal post frequency on Facebook, according to industry studies and commentaries, is five to ten posts per week or approximately one to two posts per day (Lee, 2014).

This study showed that consumer participation, without establishing a firm relationship, did not significantly affect brand loyalty. However, the industry’s market research mostly
evaluates Facebook’s effectiveness based on simple performance metrics including reach, impressions, and engagement rate (Facebook, 2015b). These participation-related indicators, as showed in this study, are sufficient to estimate the impact of Facebook on loyalty. It is suggested that a measure of parasocial relationship should be incorporated in market research together with the traditional performance metrics.

Lastly, this study also addresses another important trend in the hotel industry- the increasing attention the industry pays to the Millennials. Such interest is evident in the industry’s recent efforts in building new hotel prototypes specifically for Millennials. Marriott International recently debuted the new AC hotel, an edgy and stylish hotel appealing to Millennials. Similar efforts have been seen by Best Western International and Hilton Worldwide (Trejos, 2014b). Industry reports have found that Millennials are rather different in their media use and attitude towards brand marketing from their older generations (Ferguson, 2012; Pew Research Center, 2010). The current study demonstrated that the influence of utilitarian and hedonic benefits on parasocial relationship was different between Millennials and GenXers. Millennials expected more utilitarian benefits to maintain a parasocial relationship, while GenXers desired more hedonic benefits for content. Hotel brands need to rethink their un-differentiated marketing campaigns and design specific content for different generations. For example, hotel brands can encourage Millennials to share or like their brand page on Facebook in exchange for using free wifi in the hotel. For GenXers, hotel brands can use questions and games to entice them to share their stay experience via messages or pictures on Facebook.

Limitations and Future Research

This study has its limitations, and they can present avenues for future research. First, the study focuses on Facebook and hotel industry. While the limited scope provides more precision
in the investigation of relationship development and participation, the study results might not be applicable to other social platforms or other industries. Future studies should test the generalizability of this parasocial relationship mediating model in other contexts. A generalizable model is much needed, as social communication technologies are advancing rapidly and consumer’s preferences and behaviors change quickly as well. Second, though the study takes measures to diminish the common method biases associated with perception-based surveys, the biases might not be completely removed. Also, in the survey, respondents were asked to recall their perception and participation experiences with a hotel brand they interacted the most in the past six months. Their evaluation therefore can be elusive and suffer recall bias. Experimental design, in which respondents are presented a brand page and asked to report their perceptions, can be used to increase their evaluation precision. Third, the relationships among the eight key constructs were tested in a structural equation model, and the results do not necessarily confirm causal relationships among them. Future studies can use experimental design to manipulate the five antecedents and investigate their effects (both individual and interaction effects) on parasocial relationship and other outcomes. Fourth, this study investigates the generational differences on the psychological process and consequences of parasocial relationship. It should be noted that generational cohort theory has its own limitations. To define a generational cohort, age boundaries are set between generation, and it can introduce an element of false precision. A typical 34 years old in Millennials might not be any different from a 35-years old in GenXers, and members within the same generation group can be heterogenous in term of their perceptions and behaviors. Nevertheless, generational cohort theory provided a framework for this study and can also serve the industry to understand and segment their consumers. Other consumer
characteristics such as personality traits need to be investigated in future studies to understand their effect on building relationship on social media.

In summary, this research applies the parasocial relationship theory to understand consumers’ psychological underpinnings and consequences of online participation behaviors and loyalty with hotel brands on Facebook. It provided empirical support for the importance of parasocial relationship in generating consumer participation and loyalty, and mere participation without instilling a relationship within consumers is not able to create loyalty. The study revealed that content benefits (utilitarian and hedonic benefits) and message cues (perceived openness) positively affect consumer’s parasocial relationship. While perceived information overload negatively influence parasocial relationship, it affects active participation in the opposite direction. In addition, generational differences exist on the effects of message benefits on parasocial relationship. Millennials are more likely to develop a parasocial relationship with utilitarian benefits, whereas Genxers with hedonic benefits.
## Appendix A

### Existing Studies on CBRE in the Brand Communities Embedded in Social Media

<table>
<thead>
<tr>
<th>Source</th>
<th>Context</th>
<th>Theoretical perspectives</th>
<th>Study Description</th>
<th>Major constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Empirical Quantitative Research</strong></td>
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<tr>
<td>Erdöğmuş &amp; Cicek (2012)</td>
<td>Multiple product categories</td>
<td>None</td>
<td>Using survey data from Turkish social media users, this study investigates the effects of various marketing activities in social media on brand loyalty. The marketing activities included in this study's analysis are advantageous-promotion campaign, relevancy of content, frequent update of the content, popularity of the content, various applications and platforms provided by the company. In addition, the study also examines the types of content which consumers prefer (not) to share on social media.</td>
<td>Marketing activities, Brand loyalty</td>
</tr>
<tr>
<td>Kang, Tang &amp; Fiore., 2014</td>
<td>Single category (restaurant)</td>
<td>Brand community theory</td>
<td>Using survey data from US Facebook restaurant brand page users, this study examines the motivations for user's active participation behaviors in the brand pages and the effects of active participation on brand trust and commitment.</td>
<td>Functional benefits, social-psychological benefits, hedonic benefits, monetary benefits, active participation, brand trust, brand commitment</td>
</tr>
<tr>
<td>Source</td>
<td>Context</td>
<td>Theoretical perspectives</td>
<td>Study Description</td>
<td>Major constructs</td>
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<tr>
<td>Labrecque, 2014</td>
<td>Multiple product categories</td>
<td>Parasocial relationship theory</td>
<td>Using survey and experimental design, this study investigates the effects of two message cues (perceived openness and interactivities) on a brand’s success in developing a parasocial relation with consumers on social media. It also provides insights on how to preserve the parasocial relationship in light of increasing use of response automation technology.</td>
<td>Perceived openness, perceived interactivities, parasocial relationship, brand loyalty, willingness to share information</td>
</tr>
<tr>
<td>Laroche, Habibi, &amp; Richard, 2013</td>
<td>Multiple product categories</td>
<td>Brand community theory</td>
<td>Using survey data from different embedded brand community members, this study examines the effects of (a sense of) brand on various elements of the customer centric model (relationships between customers and brand, customers and product, customers and company, as well as customers and other fellow customers), which in turn affect brand trust and loyalty.</td>
<td>brand community, relationship with product/company/brand/other customers, brand loyalty, brand trust</td>
</tr>
<tr>
<td>Leung, Bai, &amp; Stahura, 2013;</td>
<td>Single product category (Hotel)</td>
<td>Attitude-toward-the-website model</td>
<td>Based on survey data of a US panel sample of Facebook and Twitter users, this study tests a theoretical framework to explain social media marketing effectiveness. The model hypothesizes that consumer’s attitude towards social media sites can be transferred to become the attitude towards brands, which in turn affects their purchase intention. It is also postulated that consumers' social media experience and brand cognition affect</td>
<td>social media experience, brand cognition, attitude towards social media website/brand, behavioral intention</td>
</tr>
<tr>
<td>Source</td>
<td>Context</td>
<td>Theoretical perspectives</td>
<td>Study Description</td>
<td>Major constructs</td>
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<tr>
<td>Pentina, Gammoh, Zhang, &amp; Mallin, 2013</td>
<td>Multiple product categories Two social media (Facebook &amp; Twitter)</td>
<td>Brand relationship theory</td>
<td>Using survey data of brand community members in Facebook and Twitter, this study investigates the role of perceived personality match between users and social networking sites (SNS) in predicting users’ brand relationship quality with the SNS. The study also examines the effect of brand relationship quality with SNS on behavioral intentions for the SNS and hosted brands (controlling the effect of brand engagement in self-concept).</td>
<td>perceived personality match, brand relationship quality, and behavior intention, brand engagement in self-concept</td>
</tr>
<tr>
<td>Park &amp; Kim, 2014</td>
<td>Two product categories (apparel &amp; restaurants) Single social medium (Facebook)</td>
<td>Brand relationship theory</td>
<td>Using survey data of US Facebook users, this study empirically tests a theoretical framework in which perceived benefits of a brand page on social network sites (SNS) are hypothesized to influence the customers' relationship quality with the SNS and the brand on SNS, which in turn results in brand loyalty.</td>
<td>Experiential benefits, functional benefits, brand relationship quality, perceived relationship investment, word of mouth, willingness to pay</td>
</tr>
<tr>
<td>Source</td>
<td>Context</td>
<td>Theoretical perspectives</td>
<td>Study Description</td>
<td>Major constructs</td>
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<td>-------------------------------</td>
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<td>--------------------------------------------------------------------------------------------------------</td>
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<tr>
<td>Jahn &amp; Kunz, 2012</td>
<td>Multiple product categories</td>
<td>Uses and gratification theory</td>
<td>Using survey data of US Facebook brand page users, this study examines the motivations for and consequences of users’ engagement behaviors with brand page. S</td>
<td>Functional value, hedonic value, social interaction value, brand interaction value, self-concept value, fan page usage intensity, fan-page engagement, brand attitude, brand commitment, word of mouth, and purchase</td>
</tr>
<tr>
<td>Lin &amp; Lu, 2011</td>
<td>Multiple product categories</td>
<td>Social capital theory</td>
<td>Using survey data of Taiwanese Facebook users, this study investigates users’ intention to continue to use brand pages based on the elements in the social capital theory, including social interaction tie, shared value, and trust.</td>
<td>Social interaction tie, trust, shared value, intention to continue to use</td>
</tr>
<tr>
<td>De Vries, Gensler, &amp; Leeflang, 2012</td>
<td>Multiple product categories</td>
<td>No overarching theory</td>
<td>Employing the netnographic method, this study empirically examine the possible drivers for brand post popularity (operationalized as number of likes and comments)</td>
<td>vividness, interactivity, informational content, entertaining content, valence of comments, position</td>
</tr>
<tr>
<td>Source</td>
<td>Context</td>
<td>Theoretical perspectives</td>
<td>Study Description</td>
<td>Major constructs</td>
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</tr>
</tbody>
</table>
| Brodie, Ilic, Juric, & Hollebeek, 2011 | Single product category (Exercise program)  
Single social medium (Specialized blog) | Customer engagement theory | Using content analysis for the posts from six information rich end-users of a specialized blog, this study attempts to understand the multi-dimensions and the process of customer engagement in a virtual brand community | Dimensions/objects/process of customer engagement |
| Rohm, Kaltcheva, & Milne 2013 | Multiple product categories  
Multiple social media (Facebook/Twitter/email) | Uses and gratification theory | Using data from social media diaries written by 58 respondents aged 20 to 35 over one week, this study explores young consumers’ brand interaction on social media and their motivations. The study found five primary motivations: entertainment, brand engagement (identification with brands), timely information and service, product information, and incentives and promotions. The study also found that the younger group (aged 20-21) is more likely to initiate social media brand interaction for entertainment and brand engagement, while the 21 plus age group interact to acquire product information and stay current with the brand's updates | Customer engagement, motivations |
<table>
<thead>
<tr>
<th>Source</th>
<th>Context</th>
<th>Theoretical perspectives</th>
<th>Study Description</th>
<th>Major constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zaglia, 2013</td>
<td>Single product category: camera and digital photography Single social medium (Facebook)</td>
<td>Brand community theory</td>
<td>Using the netnographic method, this study confirms the existence of brand community in Facebook. The study also finds that members participate in these communities to seek help, acquire information and learn. Furthermore, different forms of communities on Facebook, interest group and brand page, differ in their functionality and strength of relationship.</td>
<td>Online community, social networking site, motives</td>
</tr>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Conceptual Research</td>
<td></td>
<td></td>
<td>The study proposes a comprehensive conceptual model to explain consumer online brand community and consumer's engagement. The study suggests that brand related factors (brand identification and brand's symbolic functions), social factors (social benefits and social identity), and functional factors (functional benefits, information quality, uncertainty avoidance, and monetary and explicit normative benefits) are the three antecedents for consumers' engagement with online brand community.</td>
<td>brand community, consumer engagement brand identification, brand's symbolic functions social benefits, social identity, functional benefits, information quality, uncertainty avoidance, monetary and explicit normative benefits, brand loyalty</td>
</tr>
<tr>
<td>Wirtz et al. (2013).</td>
<td>General discussion</td>
<td>Brand community theory</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix B

*Factor Loadings, Reliabilities, Means, and Standard Deviation for Eight Constructs*

<table>
<thead>
<tr>
<th>Indicators / Items</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hedonic Benefits</strong> (Variance explained = 72.1%, α = .916, M=5.10, sd=1.134)</td>
<td></td>
</tr>
<tr>
<td>1. This hotel brand provides entertaining content on Facebook</td>
<td>0.891</td>
</tr>
<tr>
<td>2. I enjoy the fun content provided by this hotel brand on Facebook.</td>
<td>0.892</td>
</tr>
<tr>
<td>3. The content provided by this hotel brand on Facebook is pleasant.</td>
<td>0.750</td>
</tr>
<tr>
<td>4. I seek enjoyment in the social interactions with this hotel brand and others who share the same interest with me on Facebook</td>
<td>0.864</td>
</tr>
<tr>
<td>5. I gain a sense of belonging in a community through my interactions with this hotel’s fan page on Facebook</td>
<td>0.838</td>
</tr>
<tr>
<td><strong>Utilitarian Benefit</strong> (Variance explained = 65.2%, α = .862, M=5.54, sd=0.900)</td>
<td></td>
</tr>
<tr>
<td>1. This hotel brand provides useful information of its service, products and company on Facebook.</td>
<td>0.795</td>
</tr>
<tr>
<td>2. This hotel brand gives me an efficient and convenient way to communicate with its employees and others via Facebook.</td>
<td>0.851</td>
</tr>
<tr>
<td>3. This hotel brand provides me news on upcoming sales on Facebook.</td>
<td>0.758</td>
</tr>
<tr>
<td>4. This hotel brand provides up-to-date information of its service, products and company on Facebook.</td>
<td>0.841</td>
</tr>
<tr>
<td>5. This hotel brand provides special offers (e.g. discounts, promotions) to me on Facebook.</td>
<td>0.789</td>
</tr>
<tr>
<td><strong>Interactivity</strong> (Variance explained = 61%, α = .885, M=5.20, sd=1.10)</td>
<td></td>
</tr>
<tr>
<td>1. This hotel brand would respond to me quickly on Facebook.</td>
<td>0.809</td>
</tr>
<tr>
<td>2. This hotel brand would talk back to me on Facebook if I “liked” a post or wrote a message.</td>
<td>0.788</td>
</tr>
<tr>
<td>3. I could communicate with this hotel brand directly on Facebook for any questions if I wanted to.</td>
<td>0.748</td>
</tr>
<tr>
<td>4. I felt that this hotel brand listened to what I had to say on Facebook.</td>
<td>0.848</td>
</tr>
<tr>
<td>5. I could communicate in real time with other people who shared my interest in this hotel brand on Facebook.</td>
<td>0.710</td>
</tr>
<tr>
<td><strong>Perceived Self-Disclosure</strong> (Variance explained = 61%, α = .817, M=5.52, sd=0.89)</td>
<td></td>
</tr>
<tr>
<td>1. This brand doesn’t hold back information from me on Facebook.</td>
<td>0.745</td>
</tr>
<tr>
<td>2. This hotel brand keeps me well informed on Facebook.</td>
<td>0.722</td>
</tr>
<tr>
<td>3. I feel that this hotel brand is open in sharing information on Facebook.</td>
<td>0.866</td>
</tr>
</tbody>
</table>

*Note: M = Mean; sd = Standard Deviation*
Appendix B (Continued)

Factor Loadings, Reliabilities, Means and Standard Deviations for Eight Constructs

<table>
<thead>
<tr>
<th>Indicators/Items</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active Participation</strong> <em>(Variance explained =73.7%, $\alpha = .94, M=4.48, sd=1.42)</em></td>
<td></td>
</tr>
<tr>
<td>1. I frequently &quot;like&quot; (click the like button) this hotel brand’s messages on Facebook.</td>
<td>0.852</td>
</tr>
<tr>
<td>2. I frequently share this hotel brand’s messages on Facebook.</td>
<td>0.855</td>
</tr>
<tr>
<td>3. I respond to this hotel brand or its fan page members on Facebook with great frequency and enthusiasm.</td>
<td>0.878</td>
</tr>
<tr>
<td>4. I like to get involved in the discussions in this hotel brand’s Facebook fan page.</td>
<td>0.905</td>
</tr>
<tr>
<td>5. I take an active part in interacting with this hotel brand or its fan page members on Facebook.</td>
<td>0.919</td>
</tr>
<tr>
<td>6. I often participate in activities (e.g. experience sharing, photo posting) initiated by this hotel brand on Facebook.</td>
<td>0.883</td>
</tr>
<tr>
<td>7. I frequently read this hotel brand’s messages on Facebook.</td>
<td>0.697</td>
</tr>
<tr>
<td><strong>Parasocial Relationship</strong> <em>(Variance explained =72.1%, $\alpha = .916, M=5.25, sd=1.08)</em></td>
<td></td>
</tr>
<tr>
<td>1. This brand makes me feel comfortable, as if I am with a friend.</td>
<td>0.874</td>
</tr>
<tr>
<td>2. When I interact with this hotel brand, I feel included.</td>
<td>0.911</td>
</tr>
<tr>
<td>3. I can relate to this brand in many ways.</td>
<td>0.847</td>
</tr>
<tr>
<td>4. I like hearing what this hotel brand has to say.</td>
<td>0.847</td>
</tr>
<tr>
<td>5. I hope that this hotel brand can achieve its goals.</td>
<td>0.725</td>
</tr>
<tr>
<td>6. I care about what happens to this hotel brand.</td>
<td>0.822</td>
</tr>
<tr>
<td><strong>Loyalty</strong> <em>(Variance explained =61.7%, $\alpha = .881, M=5.50, sd=0.89)</em></td>
<td></td>
</tr>
<tr>
<td>1. I think of myself as a loyal consumer or supporter of this hotel brand</td>
<td>0.865</td>
</tr>
<tr>
<td>2. I will not stop buying or supporting this hotel brand in the future</td>
<td>0.682</td>
</tr>
<tr>
<td>3. I recommend this hotel brand to other people</td>
<td>0.815</td>
</tr>
<tr>
<td>4. I say positive things about this hotel brand to other people</td>
<td>0.831</td>
</tr>
<tr>
<td>5. I am committed to this hotel brand</td>
<td>0.828</td>
</tr>
<tr>
<td>6. I am willing to pay a higher price for this hotel brand over other brands</td>
<td>0.619</td>
</tr>
<tr>
<td>7. I will encourage friends and relatives to support this hotel brand</td>
<td>0.827</td>
</tr>
<tr>
<td><strong>Information Overload</strong> <em>(Variance Explained= 74.9%)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Factor 1</strong> <em>((\alpha = .89, M=3.34, sd=1.39)</em></td>
<td></td>
</tr>
<tr>
<td>1. There is too much information about this hotel brand on Facebook so that I feel burdened in handling it.</td>
<td>0.825</td>
</tr>
<tr>
<td>2. Because of the amount of brand information on Facebook, this makes it difficult for me to get relevant information</td>
<td>0.863</td>
</tr>
<tr>
<td>3. I find that only a small portion of this hotel’s brand information on Facebook is relevant to my need.</td>
<td>0.749</td>
</tr>
<tr>
<td>4. It is really annoying to have my News Feed page filled with this hotel’s brand information.</td>
<td>0.845</td>
</tr>
<tr>
<td>5. It takes me more efforts to pick out the information I am curious about because of the amount of this hotel’s brand information on Facebook.</td>
<td>0.857</td>
</tr>
<tr>
<td><strong>Factor 2</strong> <em>(M=5.43, sd= 1.181)</em></td>
<td></td>
</tr>
<tr>
<td>1. I can effectively handle all of the information on Facebook, regardless the amount of brand posts on the site (Reversed coded)</td>
<td>0.986</td>
</tr>
</tbody>
</table>

*Note: \(M=\text{Mean; sd= Standard Deviation, * are the mean and sd calculated without reversed coding}\)
### Appendix C

*EFA results, Cronbach Alphas, and Factor Means and Standard Deviations*

*Note: M= Mean; sd= Standard Deviation*

<table>
<thead>
<tr>
<th>Factor/Indicators</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hedonic Benefits (α = 0.811, M=5.35, sd=0.894)</strong></td>
<td></td>
</tr>
<tr>
<td>1. This hotel brand provides entertaining content on Facebook</td>
<td>0.737</td>
</tr>
<tr>
<td>2. I enjoy the fun content provided by this hotel brand on Facebook.</td>
<td>0.676</td>
</tr>
<tr>
<td>3. The content provided by this hotel brand on Facebook is pleasant.</td>
<td>0.644</td>
</tr>
<tr>
<td><strong>Utilitarian Benefit (α = .790, M=5.16, sd=1.02)</strong></td>
<td></td>
</tr>
<tr>
<td>1. This hotel brand gives me an efficient and convenient way to communicate with its employees and others via Facebook.</td>
<td>0.531</td>
</tr>
<tr>
<td>2. This hotel brand provides me news on upcoming sales on Facebook.</td>
<td>0.723</td>
</tr>
<tr>
<td>3. This hotel brand provides special offers (e.g. discounts, promotions) to me on Facebook.</td>
<td>0.768</td>
</tr>
<tr>
<td><strong>Interactivity (α = .792, M=4.97, sd=1.10)</strong></td>
<td></td>
</tr>
<tr>
<td>1. This hotel brand would respond to me quickly on Facebook.</td>
<td>0.656</td>
</tr>
<tr>
<td>2. This hotel brand would talk back to me on Facebook if I “liked” a post or wrote a message.</td>
<td>0.656</td>
</tr>
<tr>
<td>3. I could communicate with this hotel brand directly on Facebook for any questions if I wanted to.</td>
<td>0.765</td>
</tr>
<tr>
<td><strong>Perceived Self-Disclosure (α = .895, M=5.22, sd=1.01)</strong></td>
<td></td>
</tr>
<tr>
<td>1. The communication this hotel brand has with me on Facebook is sincere.</td>
<td>0.738</td>
</tr>
<tr>
<td>2. The communication this hotel brand has with me on Facebook is consistent</td>
<td>0.747</td>
</tr>
<tr>
<td>3. The communication this hotel brand has with me on Facebook is open.</td>
<td>0.787</td>
</tr>
<tr>
<td>4. The communication this hotel brand has with me on Facebook is truthful</td>
<td>0.833</td>
</tr>
</tbody>
</table>
Appendix C (Continued)

EFA results, Cronbach Alphas, and Factor Means and Standard Deviations

<table>
<thead>
<tr>
<th>Factor/Indicators</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information Overload (( \alpha = .864, M=3.61, sd=1.315 ))</strong></td>
<td></td>
</tr>
<tr>
<td>1. There is too much information about this hotel brand on Facebook so that I feel burdened in handling it.</td>
<td>0.826</td>
</tr>
<tr>
<td>2. Because of the amount of brand information on Facebook, This makes it difficult for me to get relevant information.</td>
<td>0.841</td>
</tr>
<tr>
<td>3. I find that only a small portion of this hotel brand’s information on Facebook is relevant to my need</td>
<td>0.714</td>
</tr>
<tr>
<td>4. It is really annoying to have my News Feed page filled with this hotel brand’s information</td>
<td>0.846</td>
</tr>
<tr>
<td>5. It takes me more efforts to pick out the information I am curious about because of the amount of this hotel brand’s information on Facebook</td>
<td>0.754</td>
</tr>
<tr>
<td><strong>Active Participation (( \alpha = .920, M=4.545, sd=1.260 ))</strong></td>
<td></td>
</tr>
<tr>
<td>1. I frequently &quot;like&quot; (click the like button) this hotel brand’s messages on Facebook.</td>
<td>0.653</td>
</tr>
<tr>
<td>2. I frequently share this hotel brand’s messages on Facebook.</td>
<td>0.766</td>
</tr>
<tr>
<td>3. I respond to this hotel brand or its fan page members on Facebook with great frequency and enthusiasm.</td>
<td>0.824</td>
</tr>
<tr>
<td>4. I like to get involved in the discussions in this hotel brand’s Facebook fan page.</td>
<td>0.802</td>
</tr>
<tr>
<td>5. I take an active part in interacting with this hotel brand or its fan page members on Facebook.</td>
<td>0.822</td>
</tr>
<tr>
<td>6. I often participate in activities (e.g. experience sharing, photo posting) initiated by this hotel brand on Facebook.</td>
<td>0.793</td>
</tr>
<tr>
<td><strong>Parasocial Relationship (( \alpha = .813, M=5.48, sd=0.95 ))</strong></td>
<td></td>
</tr>
<tr>
<td>1. I like hearing what this hotel brand has to say.</td>
<td>0.522</td>
</tr>
<tr>
<td>2. I hope that this hotel brand can achieve its goals.</td>
<td>0.759</td>
</tr>
<tr>
<td>3. I care about what happens to this hotel brand.</td>
<td>0.574</td>
</tr>
</tbody>
</table>

*Note: M= Mean; sd= Standard Deviation*
Appendix D

Consumer-Brand Parasocial Relationship and Engagement Survey

PART I: Filtering Questions

1) What is your age? ______________
2) Are you a Facebook user?
   □ Yes
   □ No

Hotel brands can easily reach consumers on Facebook. You, as a consumer, can get brand-related information on your Newsfeed, Notifications, and this hotel’s fan page on Facebook.

Think about a HOTEL brand that you interact with the most on Facebook over the last 6 months (Note: Interact means that you “like”, comment, share the brand posts or respond to other brand page member’s comments)

3) This brand (or company) is ______________

4) Are you a member of this brand’s fan page on Facebook? (In other words, do you click “like” and “follow” its fan page on Facebook? 
   □ Yes
   □ No

5) In the past 6 month, have you interacted with this hotel brand on Facebook, either on its Facebook fan page, Newsfeed, or Notification area? 
   □ Yes
   □ No

6) Please indicate how much you agree with the following statements

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

1. I *frequently* interact (e.g. like, comment or share) with this hotel brands on Facebook. ................................................................. 1 2 3 4 5 6 7

2. I *often* interact (e.g. like, comment or share) with this hotel brands on Facebook. ................................................................. 1 2 3 4 5 6 7

3. I *regularly* interact (e.g. like, comment or share) with this hotel brands on Facebook. ................................................................. 1 2 3 4 5 6 7
7) Think of your interaction with this hotel brand on Facebook, briefly describe your memory of your interaction experience and feeling with the brand. ______________________________

PART II: Brand Perception and Past Experience

Keep in mind the above-described memory of your interaction with the brand on Facebook while you complete the following survey questions. Based on your interaction experience with the brand on Facebook, please indicate how much you agree with the following statements.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

1. In my opinion, this hotel brand is good. ........................................... 1 2 3 4 5 6 7
2. I think positively about this hotel brand ........................................... 1 2 3 4 5 6 7
3. I like this hotel brand ................................................................. 1 2 3 4 5 6 7
4. I think favorably about this hotel brand ........................................... 1 2 3 4 5 6 7

5) How long have you been doing business with this brand offline? *(please put 0 year and 0 month if you have never done business with this brand)*

________year(s)_______month(s)

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

1. I am very involved with this hotel brand. ................................. 1 2 3 4 5 6 7
2. This hotel brand is very important to me ..................................... 1 2 3 4 5 6 7
3. This hotel brand is relevant to my life ....................................... 1 2 3 4 5 6 7
PART III: Main Constructs
Keep in mind the above-described memory of your interaction with the brand on Facebook while you complete the following survey questions. Based on your interaction experience with the brand on Facebook, please indicate how much you agree with the following statements.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

**Perceived Interactivity (Labrecque, 2014; Wu, 2005)**
1. The brand would respond to me quickly and efficiently on Facebook. 1 2 3 4 5 6 7
2. The brand would talk back to me on Facebook if I liked a post and wrote a message. 1 2 3 4 5 6 7
3. I could communicate with the brand directly on Facebook for any questions if I wanted to. 1 2 3 4 5 6 7
4. I felt like that the brand listened to what I had to say on Facebook. 1 2 3 4 5 6 7
5. I could communicate in real time with other customers who shared my interest in this brand on Facebook. 1 2 3 4 5 6 7

**Perceived Self-Disclosure (Labreque, 2014)**
1. I feel that the brand is open in sharing information on Facebook. 1 2 3 4 5 6 7
2. The brand keeps me well informed on Facebook. 1 2 3 4 5 6 7
3. This brand doesn't hold back information from me on Facebook. 1 2 3 4 5 6 7

**Perceived Information Overload (Chen, Shang, & Kao, 2009; Koroleva, Krasnova, & Gunther, 2010)**
1. There is too much information about this brand on Facebook so that I am burdened in handling it. 1 2 3 4 5 6 7
2. Because of the plenty brand information on Facebook, I feel this makes it more difficult for me to acquire relevant information. 1 2 3 4 5 6 7
3. I can effectively handle all of the information, messages, alters, and notifications on Facebook, regardless the amount of brand posts. 1 2 3 4 5 6 7
4. I find that only a small portion of the brand information appearing on Facebook is relevant to my need. 1 2 3 4 5 6 7
5. It is really annoying to have my News Feed page filled with brand information. 1 2 3 4 5 6 7
6. It takes me more efforts to pick out the information I am curious about because of the brand information appearing on Facebook. 1 2 3 4 5 6 7
Perceived Utilitarian Benefits (Park & Kim, 2014, Jahn & Kunz, 2012; Kang et al., 2014)

1. This brand provides useful information of its service, products and company on Facebook. .......................................................... 1 2 3 4 5 6 7
2. This brand provides up-to-date information of its service, products and company on Facebook. ...................................................... 1 2 3 4 5 6 7
3. This brand provides special offers (e.g. discounts, promotions) to me on Facebook. ................................................................. 1 2 3 4 5 6 7
4. This brand provides me news on upcoming sales on Facebook. ...... 1 2 3 4 5 6 7
5. This brand gives me an efficient and convenient way to communicate with its employees and others via Facebook.............. 1 2 3 4 5 6 7

Perceived Hedonic Benefits (Park & Kim, 2014, Jahn & Kunz, 2012; Kang et al., 2014)

1. This brand provides entertaining content on Facebook .............. 1 2 3 4 5 6 7
2. I enjoy the fun content provided by this brand on Facebook........ 1 2 3 4 5 6 7
3. The content provided by this brand on Facebook is pleasant........ 1 2 3 4 5 6 7
4. I seek enjoyment in the social interactions with the brands and others who share the same interest with me on Facebook ............... 1 2 3 4 5 6 7
5. I gain a sense of belonging in a community through my interactions with the brand page on Facebook ........................................ 1 2 3 4 5 6 7

Parasocial relationship (Labreque, 2014)

1. This brand makes me feel comfortable, as if I am with a friend on Facebook 1 2 3 4 5 6 7
2. When I interact with the brand, I feel included ......................... 1 2 3 4 5 6 7
3. I can relate to this brand in many ways...................................... 1 2 3 4 5 6 7
4. I like hearing what this brand has to say ................................. 1 2 3 4 5 6 7
5. I hope that the brand can achieve its goals.............................. 1 2 3 4 5 6 7

Online Consumer Brand Engagement (Chen, Shang, & Kao, 2009; Kang et al., 2014; So, King, & Sparks, 2014; )

1. I take an active part in interacting with the brand or other brand 1 2 3 4 5 6 7
page members on Facebook……………………

2. I frequently “like” (click the like button) the brand’s messages appearing on Facebook ....................................................... 1 2 3 4 5 6 7

3. I frequently share the brand’s messages appearing on Facebook....... 1 2 3 4 5 6 7

4. I frequently respond to the brand or other’s messages on Facebook... 1 2 3 4 5 6 7

5. In general, I like to get involved in the discussions in the brand’s Facebook page ................................................................. 1 2 3 4 5 6 7

6. I often participate in activities (e.g. experience sharing, photo posting) initiated by the brand on Facebook ........................... 1 2 3 4 5 6 7
Brand Loyalty (So, Sparks, & King 2014; So, King, Sparks and Wang, 2014; Jahn & Kunz, 2012)

1. I think of myself as a loyal consumer/supporter of this brand… 1 2 3 4 5 6 7
2. I will not stop buying/supporting this brand in the future ……… 1 2 3 4 5 6 7
3. I recommend this brand to other people........................ 1 2 3 4 5 6 7
4. I say positive things about this brand to other people.......... 1 2 3 4 5 6 7
5. I am committed to this brand .................................... 1 2 3 4 5 6 7
6. I am willing to pay a higher price for this brand over other brands 1 2 3 4 5 6 7
7. I will encourage friends and relatives to support this brand …… 1 2 3 4 5 6 7

PART IV: Demographic Information

1) Your ethnicity?
   - Caucasian
   - African American
   - Latino/a or Hispanic
   - Asian or Pacific Islander
   - Others_____

2) Your Gender?   ☐ Female   ☐ Male

3) Your age? _________ years old (please enter a number).

4) What is your education level? (pew research, 2015)
   - High school grad or less
   - Some college education (including trade school and associate degree)
   - Undergraduate degree
   - Graduate degree, professional degree (J.D., M.D), and above (Ph.D.)
   - Prefer not to answer

4) What is your current employment status?
   - In school, and unemployed
   - Employed, not in school
   - In school, and employed
   - Neither in school nor employed
   - Prefer not to answer
6) What is your annual income level? (Pew research, 2015)

☐ Less than $30,000 per year
☐ $30,000- $49,999
☐ $50,000-74,999
☐ $75,000 or above
☐ Prefer not to answer

7) On average, how often do you use Facebook? (Pew Research, 2015)

☐ Several times a day
☐ About once a day
☐ A few days a week
☐ Every few weeks
☐ Less often
☐ I do not know
☐ Prefer not to answer
Appendix E

Nine Items Deleted in EFA to Improve Discriminant Validity

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Deleted Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedonic benefits</td>
<td>I seek enjoyment in the social interactions with this hotel brand and others who share the same interest with me on Facebook</td>
</tr>
<tr>
<td>Hedonic benefits</td>
<td>I gain a sense of belonging in a community through my interactions with this hotel’s fan page on Facebook</td>
</tr>
<tr>
<td>Information overload</td>
<td>I can effectively handle all of the information on Facebook, regardless the amount of brand posts on the site.</td>
</tr>
<tr>
<td>Active participation</td>
<td>I frequently read this hotel brand’s messages on Facebook.</td>
</tr>
<tr>
<td>Utilitarian benefits</td>
<td>This hotel brand provides useful information of its service, products and company on Facebook.</td>
</tr>
<tr>
<td>Utilitarian benefits</td>
<td>This hotel brand provides up-to-date information of its service, products and company on Facebook.</td>
</tr>
<tr>
<td>Parasocial</td>
<td>This brand makes me feel comfortable, as if I am with a friend.</td>
</tr>
<tr>
<td>Parasocial</td>
<td>When I interact with this hotel brand, I feel included.</td>
</tr>
<tr>
<td>Parasocial</td>
<td>I can relate to this brand in many ways.</td>
</tr>
</tbody>
</table>
References


https://www.facebook.com/help/336143376466063/


http://www.aimia.com/content/dam/aimiawebsite/CaseStudiesWhitepapersResearch/english/Aimia_GenY_US.pdf


Curriculum Vita

Yun Ying (Susan) Zhong, Ph.D.

4505 South Maryland Parkway
William F Harrah College of Hotel Administration
University of Nevada, Las Vegas
Las Vegas, NV 89154
Phone: 321-947-5172
Email: zhongy3@unlv.nevada.edu

EDUCATION

August 2011-Present (July, 2015)
University of Nevada, Las Vegas (UNLV)
Doctor of Philosophy in Hospitality Administration
Dissertation: Customer engagement on Social Media: Will Facebook transform a commercial relationship into a personal relationship?
Dr. James Busser, Chair and Dr. Mehmet Erdem, Co-chair.

August 2008- May 2011
University of Central Florida
Master of Science in Hospitality and Tourism Management
Thesis: Quantifying the Impacts of the Recent Economic Crisis on a Local Tourism Industry and Economy

July 2001- July 2005
Ji Nan University, China
Bachelor of Arts in Business Administration and English

ACADEMIC WORK EXPERIENCE

2014 - Present  Visiting Lecturer, Harrah College of Hotel Administration, University of Nevada, Las Vegas (Strategic Management, Hospitality and Tourism Marketing, Lodging Operation and management)

2012 - 2014  Instructor, Harrah College of Hotel Administration, University of Nevada, Las Vegas (Hospitality and Tourism Marketing, Technology Application in Hospitality and Tourism, and Lodging Operation and management)
2011 - 2012 Research & Teaching Assistant, Harrah College of Hotel Administration, University of Nevada, Las Vegas (Fellow researcher in two US national Lodging Technology Studies)

2008-2011 Research & Teaching Assistant, College of Hospitality and Tourism Management, University of Central Florida, Orlando (Fellow researcher in a commissioned grant on strategic planning with Aruba)

RESEARCH ACTIVITIES

Research Interests
Information Technology, Digital Channels, Tourism Management, Memorable Experience, Relationship Management, Generational Difference

Refereed Journal Publications


Research Grants


Manuscripts in Progress


5. Zhong, Y., Busser, J., & Baloglu, S. Study Abroad: The Impacts of Tourism Experiences for a Destination (70% completion).


**Industry Article and Grant Report**


**Referred Conference Presentations**


**Research Reviewer**

- International Journal of Hospitality Management, 2014-Present

**PROFESSIONAL EXPERIENCE**

**July 2004 – July 2005**
*Conference Sales Representative, “New Capital” Conference, China*
- Built and updated a database for contacts of companies citywide and their HR managers.
- Sold admissions of the International “New Capital” Conference.
- Prepared sales reports and customer profiles to my supervisor.
- Recognized as the “Best Sales Representative”.

**July 2005 – August 2006**
*Cultural Representative, China Pavilion EPCOT, Walt Disney World, Orlando*
- Introduced and sold the merchandise that represents China’s tradition and culture.
- Promoted and sold merchandises that are of unique Chinese style.
- Collected and analyzed customers’ response to merchandise and services.
- Provided mentorship to junior members

**May 2008 – December 2008**
*Participant in Managerial Training Program, Rosen Shingle Creek Resort, Orlando*
- Learned hotel operations by rotating around various departments, including front desk, housekeeping and maintenance, banquet catering, restaurant, golf club, sales and marketing, reservation, security, and finance departments.
- Met with manager from each department, and discussed managerial decision making.

**July 2008- January 2009**
*Supervisor, Rice & Co Asian Cuisine Restaurant*
- Arranged schedules for a team of five servers.
- Managed beverage and alcohol inventory
- Served customers and handled their complaints.
September 2012- April 2013
*Industry Leader Mentee, Caesars Entertainment Corporation, Las Vegas*
- Met with my mentor, Mr. Blake Warren, Director for IT and Ecommerce Engagement on a weekly basis to discuss hotel operations and strategic decision making.
- Shadowed hotel operation at the VIP villa in Caesars Palace and shadowed the annual event organization for Total Rewards members in Flamingo Casino and Hotel.

July 2013- August 2013
*Intern, Skywire Media Inc (Mobile Marketing), Las Vegas*
- Learned Mobile Connect TM, an enterprise enabled event-trigger message marketing platform.
- Learned the application integrations between the Point of Sales system and an online Table Reserve Platform.
- Conducted product tests and make improvement suggestion for D& R on the company’s newly developed Point of Sales system

**HONORS AND AWARDS**

- UNLV Graduate and Professional Student Association Service Award (2014). UNLV Las Vegas, NV. Competitive.
- Access Grant and UNLV Alumni Faculty Award (2014-2015), UNLV Las Vegas, NV (Total of $ 4,500).
- Access Grant, UNLVino Scholarship (2013-2014), UNLV Las Vegas, NV (Total of $3,000),
- Access Grant, Weinberger Endowment Scholarship, HFTP Scholarship (2012-2013), UNLV Las Vegas, NV. (Total of $4,400).
- HFTP & UNLVino scholarships (2011-2012), UNLV, Las Vegas, NV (Total of $3,750).
- Harris Rosen Scholarship (2008), University of Central Florida, Orlando, FL ($1500).
• Four-consecutive-year university scholarships, Ji Nan University, Guang Zhou, China (2001-2005).

• Honor Graduate in Dean’s List, Ji Nan University, Guang Zhou, China (2005).

PROFESSIONAL CERTIFICATION AND AFFILIATION

• Certified Hospitality Educator (CHE) by American Hotel and Lodging Association

• Member of HSMAI, The Hospitality Sales and Marketing Association International

• Member of ICHRIE, International Council on Hotel, Restaurant, and Institutional Education.

• Member of IHITA, International Hospitality Information Technology Association

• Member of HFTP, Hospitality Financial and Technology Professionals.
EXTRACURRICULAR ACTIVITIES

April, 2013- Present
UNLV Presidential Student Ambassador
- Competitively elected to represent the best that UNLV has to offer.
- Represent UNLV at various functions to engage with local dignitaries, state officials, community leaders, alumni, and the general public.

August, 2011- August, 2013
Council member of UNLV Graduate and Professional Student Association (GPSA)
- Represented the voice of graduate students at Hotel College in University-level issues such as tuition and education funding formula.
- Volunteered at the 2013 GPSA Research Forum.

Committee Members at Grant Sponsorship Committee at GPSA
- Reviewed and evaluated university-wide research grants and award applications.
- Presented at research workshops to promote research excellence.

August, 2011 –August 2012
Treasurer, Hospitality Financial and Technology Professionals (HFTP) Student Chapter at UNLV
- Maintained financial records and handled monetary reimbursement for HFTP student chapter at UNLV.
- Participated in a one-week HITEC Trade Show volunteer program organized by HFTP for two years (2011, 2012).
- Attended various trade shows, including MURTEC (Restaurant Technology) Forum, Hotel Technology Forum, Consumer Electronic Shows (CES), and the 2011 International Motel, Hotel & Restaurant Show (New York).