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Master Thesis

“The TRAM Framework in a Social Media Context - Measuring Attitudes Towards Consumer-Company Interaction”

A Study of Norwegian Social Media Users

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“This thesis is part of the Master program at BI Norwegian School of Management. The school takes no responsibility for the methods used, results found and conclusions drawn.”

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Executive Summary

Social technologies alter the premises for traditional marketing communication and consumer-company interaction. This thesis aims to predict users' propensities to interact with companies through social media. Given the novelty of social technology, the research objective materialized into an exploration of the role played by technology acceptance theory in a social media setting. Previous literature reveals that prior experience and knowledge of similar technology plays an important role in consumers' adoption of innovations. As social media users vary in their level of familiarity and expertise, it is expected that such individual differences influence their likelihood of engaging in company interaction. The Technology Readiness and Acceptance Model (TRAM) by Lin, Shih and Sher (2007) was adapted to a social technology context. We hypothesised that users' general readiness to use social technology is positively correlated with perceptions of ease of use and usefulness of consumer-company interaction in social media, and subsequently attitude towards interaction. Data were collected through an online survey of Norwegian social media users. The model was tested through a two-step structural equation modelling process, and the findings supported the theoretical predictions. The results of the study have both theoretical and practical implications. From a managerial perspective the results imply that companies should have a clear social media strategy, and undertake a thorough assessment of the customer base regarding their social technology readiness. From a theoretical point of view, the findings demonstrate that previously validated theory on technology acceptance behaviour can be applied to the phenomenon of social media.

1.0 Introduction

This thesis explores and seeks to predict social media users' propensities to interact with companies through social media. The paper draws on theories on consumer acceptance of new technology. Specifically, the technology readiness and acceptance model (TRAM) of Lin et al. (2007) is adapted to the context of social technology. TRAM is an incorporation of two well-known concepts within technology acceptance theory: the construct of technology readiness (Parasuraman 2000) and the technology acceptance model (Davis 1989). The model suggests that consumers' beliefs about technology in general, along with perceptions of ease of use and perceived usefulness of a specific technology system, can predict intentions to use the system. In addition to a context-specific change of technology readiness into social technology readiness, we relate perceived usefulness and ease of use explicitly to consumer-company interaction in social media. This paper hypothesises that users' general readiness to use social technology, derived from previous experience and knowledge, is positively correlated with perceptions of ease of use and usefulness of consumer-company interaction in social media, and subsequently attitude towards such interaction.

In this introductory part we give a brief overview of social technology and the implications of the "social media revolution" for companies. Next, we present our research question and objectives. Thereafter follows a literature review on technology acceptance theory. We elaborate upon the underlying theory of TRAM, which in turn leads to the development of our empirical model and research hypotheses. In the following, we present the empirical method, data analysis, and results, with data collected on Norwegian social media users. Finally, the findings are discussed in light of theoretical and practical implications, limitations of the study, and directions for future research.

1.1 Social Technology and the Media Revolution

Social technology is one of the most defining technologies of the current decade. We are witnessing a major change in media and communication, where the Internet increasingly is replacing traditional newspapers and TV. Services like YouTube and Facebook are no older than 5 years, yet their impact is so great that it is difficult to imagine a world without them. The generation growing up at the

moment was “born digital” into a world where analog technology belongs to the past.

Social media is a new form of participatory media characterized by user-generated content. It is a series of web-publishing tools that allow users to interact and share data in various ways, transforming people from content consumers to content producers. While industrial media requires heavy investments in production equipment and educated professionals, social media tools are available at no cost. Anyone possessing a minimum of basic computer knowledge can be a reporter, reviewer, critic or editor. If mass media is a monologue to the masses, from one to many, social media is a dialogue, *from many to many*. Newman (1999) calls this computer-mediated text based dialogue a multilogue. It is a mix of dialogue and word of mouth, where the dialogue spawns multiple other dialogues. Social media supports the human need for social interaction, and the need to share information, knowledge, thoughts and ideas. Some has gone as far as to call it the democratization of knowledge and information.

1.2 Implications for Companies

As products and brands play an important role in people’s life they are natural subjects of discussion. Consumers use social media to talk to fellow users, share customer experiences and search for product information. The traditional marketing communication paradigm was characterized by a high presence of company control, and information-flow outside company limits was typically restrained to conversations between a few people. Due to the restricted spreading of such word-of-mouth, this had minimal impact on marketplace dynamics (Magnold and Faulds 2009). In contrast, people now tell hundreds or thousands of Facebook friends and Twitter followers of their consumer experiences. Web search for products and services yields a vast amount of user-generated content, which in turn continuously shape the opinions of other online users (Smith 2009). A recent study from Penn State University (2009) examined over half a million Twitter messages (tweets), looking for mentions of brands. The results showed that 20 % of all tweets were brand-related, either asking for or providing product information. Additionally, in a study from Universal McCann (2008) which surveyed 17 000 Internet users in 29 countries, a total of 44,5 % reported that they had shared an opinion about a product or service with friends through social

media. While companies cannot control these conversations, they have the opportunity to shape the discussions through participation. Social media opens up a whole new area of feedback, different from what companies hear through telephones at call-centres.

Consumer-company interaction in social media requires two active parts. In order for companies to benefit from social technology they are dependent on the users' willingness to participate. However, social media users may differ in their readiness to interact with companies through these channels. There is always a learning process for new technologies, and customers vary in their level of familiarity and experience with social technology. With the array of different social media tools available, usage areas differ significantly as well. Li and Bernoff (2008) illustrate such usage diversification in the "social technographics ladder", a model that categorizes people into six alternative stages according to their level of participation in social media (see appendix I). In short the ladder depicts that social media users range from creators to inactives, with a descending level of contribution to online content. This is closely related to the 1 % rule or the 90-9-1 principle, which is a theory of participation inequality on the Internet. The principle suggest that in most online communities, 90 % of users are lurkers who never contribute, 9 % of users contribute from time to time, while 1 % of users account for almost all content (Nielsen 2006).

Users' differing levels of utilization are likely to influence perceptions of company presence in social media, and their attitude towards interaction. Within the field of consumer behaviour it is generally accepted that peoples' experience-based prior beliefs are important in information processing guidance and in directing behaviour (e.g. Roedder-John, Scott and Bettman 1986). Similar, studies on diffusion of innovations highlight the role of prior experience in the belief formation stages, which builds "how-to knowledge" (Wood and Moreau 2006). Moreau, Lehman and Markam (2001) found that consumers' ability to understand web-based information is structured and constrained according to their experience. Further, Macias (2003) argue that people, depending on their familiarity with the web, are likely to relate and interact differently online. Moreover, previous research on technology acceptance has found relevant prior experience to result in positive perceptions of the usefulness of Internet

communication (Irani 2000; Kim, Park and Morrison 2008). Thus, it is expected that more usage experience will have a favourable influence on acceptance of consumer-company interaction in social media. As people, through usage, gain experience with a product or service, their knowledge increases because of the assimilation of information (Hayes-Roth 1977). Therefore, within the context of a specific technology, people who possess familiarity and expertise may require a modest amount of additional information, and as a result be more likely to use a new technology channel for the sake of convenience (Bettman 1979; Kim et al. 2008).

1.3 Research Question

Based on the introductory discussion above, for this thesis the following research question is framed:

“To what extent are people’s attitudes towards consumer-company interaction in social media correlated with their readiness to use social technology, and the perceived usefulness and ease of use of such interaction?”

This research question is an attempt to link established theories on technology acceptance to the new area of consumer-company interaction in social media. In order for companies to properly evaluate the opportunities of social media, an understanding of consumer behaviour is required. This topic is currently receiving widespread attention in business communities. A recent survey from Dataforeningen (2009) revealed that only 15 % of Norwegian companies have a social media strategy. 75 % have discussed the use of social media, 60 % wish to increase their focus on new technology, while 20 % want more time and better analyses before they “throw themselves” into the unknown. Hopefully, this thesis can contribute to the need for such analyses.

Research was required to collect primary data from consumers on their social technology readiness, and how interaction with companies is perceived in terms of usefulness and ease of use. The study consisted of a qualitative and quantitative part. Through qualitative research the TRAM-model of Lin et al. (2007) was transformed and made context-specific. The purpose of the qualitative focus groups was to explore consumers’ understanding and use of social media, and

their perceptions of advantages and disadvantages with the technology. Further, to acquire information about the participants' personal experience of company interaction through these channels, and their beliefs of usefulness and ease of use of such communication. The key aim of the qualitative research was to assist in the development of a quantitative survey. The purpose of the quantitative research was to:

- Gather primary data on key issues identified in the qualitative research relating to users' perceptions and understanding of social media and company interaction.
- Find support for a measurement model, which attempts to explain social media users' attitudes toward consumer-company interaction.
- Assess the generalizability of the proposed theory.

As part of the model testing seven hypotheses were formulated (see part 3.4). These represented four priority areas of investigation, and the questionnaire was divided into modules that reflected these areas.

2.0 Conceptual and Theoretical Background: Technology Acceptance

The following literature review is structured as follows: First, a brief overview of prior research underlying TRAM and a description of the TRAM framework is provided. Next, we discuss the implications of this framework in light of social technology and consumer-company interaction in social media. In turn, the review leads to the development of a context-specific TRAM model, which is intended to measure how social media users' general perceptions of social technology influence their attitudes towards interaction with companies in such channels.

2.1 Technology Acceptance Model (TAM)

Following the "computer revolution" of the last decades, which has made the world increasingly more technology dependent, a growing body of academic research has focused on the determinants of computer technology acceptance and utilization among users. In the midst of models that have been proposed, the Technology Acceptance Model (TAM) (Davis 1989; Davis, Bagozzi and Warshaw 1989) emerges as the most widely accepted (Wang et al. 2003; Pavlou 2003). Due to its generalizability and empirical strength, confirmed through a number of studies (e.g. Jackson, Chow and Leitch 1997; Gefen and Straub 1997; Venkatesh 2000), information-system scholars seem to agree upon TAM's validity in predicting individuals' acceptance of various information technologies.

TAM posits that two variables, perceived usefulness and perceived ease of use, are the key constructs determining attitudes towards adoption, intention to use, and actual usage of information technology. *Perceived usefulness* is defined as the extent to which a person believes that using a particular system will enhance his or hers performance, while *perceived ease of use* refers to the extent to which a person believes that using a particular system will be free of effort. Several prior studies have remarked the similarity between beliefs of perceived usefulness and ease of use in TAM, and the constructs of relative advantage and complexity in diffusion theory (Moore and Benbasat 1991; Taylor and Todd 1995; Venkatesh, Morris, Davis and Davis 2003). These constructs can be regarded as a parallel, and in addition to compatibility they are commonly acknowledged as the most

constant determinants of adoption behaviour (Tornatzky and Klein 1982; Kim et al. 2008).

The underlying foundation of TAM is that innovations that are perceived as easier to use and less complex have a higher likelihood of being accepted by potential users. Furthermore, perceived ease of use is theorized to be a predictor of perceived usefulness, while both beliefs are influenced by external variables (Davis 1989; Davis et al. 1989).

Davis et al. (1989) originally proposed that TAM's internal psychological variables (i.e. perceived usefulness and perceived ease of use) entirely mediate the effects that all other variables in the external environment may have on an individual's use of an innovation; "*External variables (...) provide the bridge between the internal beliefs, attitudes, and intentions represented in TAM and the various individual differences, situational constraints, and managerial controllable interventions impinging on behaviour*" (Davis et al. 1989: 988). This implies that external variables will not exhibit any direct influence on usage intention or behaviour. Rather these effects will only be visible indirectly through their relationship with beliefs of usefulness and ease of use. Consequently, external variables that might affect adoption and usage intention are exogenous to the conceptualization of TAM (Agarwal and Prasad 1999). When applying TAM to various settings, the influence of external variables on perceived ease of use and perceived usefulness is exceedingly relevant, as factors affecting acceptance of new computer tools are likely to differ with the technology in question, target users, and context (Wang et al. 2003). Despite the proven validity of the original TAM constructs, they do not alone fully capture the specific influences of technological and usage context factors that may alter users' acceptance. TAM was initially developed to predict employees' technology adoption behaviours in work settings. Although the model has often been applied in marketing (i.e. non-work) settings as well, where adoption is not governed by organizational objectives, the differences between the two are obvious. While people in a work setting may adopt a system against their will because of management directives, consumers stand free to choose among numerous alternatives (Lin et al. 2007). For instance, customers of a company that are present in social media can independently choose to communicate with companies through conventional channels (e.g. telephone, mail, personal contact), through social media, or both.

All service delivery processes require some level of customer participation; however, this is even more true in the context of e-services (Bitner, Faranda, Hubbert and Zeithaml 1997; Meuter, Ostrom, Roundtree and Bitner 2000). Thus, due to the level of involvement required by the customer to co-produce the service, TAM may be somewhat inadequate to fully explain consumers' technology adoption behaviours in a marketing setting. In order to integrate different technologies, users, and organizational contexts, the theoretical validity and empirical applicability of the model needs to be extended (Chau and Lai 2003; Lin et al. 2007). As noted by Davis (1989: 334) himself: "*Future research is needed to address how other variables relate to usefulness, ease of use, and acceptance.*" Several studies have attempted to extend TAM with various external variables. Based on this work, it is now possible to make a more complete rationalization of which additional variables might affect user acceptance of computer innovations.

As stated by Lin et al. (2007: 642): "*a model incorporating some individual difference variables is a necessary first step towards identifying and qualifying the psychological process of the perceptions of a technology's value.*" Numerous individual difference variables have been examined, counting demographic and situational variables, cognitive variables, and personality variables (e.g. Zmud 1979; Agarwal and Prasad 1999; Jackson et al. 1997; Venkatesh 2000; Pavlou 2003). A common theme from this research is that individual differences regarding user motivation and capabilities are essential determinants of successful technology adoption. A number of studies in consumer behaviour and information system research have shown that individuals' previous experience is an essential determinant of information search behaviour and technology acceptance (e.g. Marks and Olson 1981; Park, Motersbaugh and Feick 1994). Previous experience relates to prior usage of a product or service (Marks and Olson 1981). Agarwal and Prasad (1999) argue that the belief formation process in essence is comparable to a learning process. Thus, learning theory can provide a basis for understanding how individual difference variables affect the formation of beliefs of usefulness and ease of use. Within learning theory, the law of proactive inhibition (McGeoch and Irion 1952) suggests that individual's prior knowledge and experience infer with their ability to learn to exhibit specific behaviours. The basic notion behind this law is the degree of similarity or dissimilarity between

individuals' prior experiences and knowledge, and the innovative behaviour being learned. Mainly through cognitive associative processes (Gick and Holyoak 1987), previous similar experiences results in greater learning, and therefore, might be expected to lead to more positive beliefs, while an opposed effect is expected in cases where previous experiences are dissimilar (Agarwal and Prasad 1999). In line with this, Chau and Lai (2003) found task familiarity to have a significant impact on perceived usefulness and perceived ease of use in relation to consumer acceptance of Internet banking. Similarly, Wang et al. (2003) found computer self-efficacy, described as the judgement of one's ability to use a computer (Compeau and Higgins 1995), to have significant influence on beliefs in the same context. Regarding user adoption of computer technology, Trevino and Webster (1992) discovered that individuals possessing higher levels of computer experience and skills are less attached to established ways of communication, and may consequently be more flexible and open towards new technologies. Moreover, Venkatesh (2000) demonstrated a significant link between control and perceptions of perceived ease of use of new technology systems.

In relation to people's inherent individual differences, and the influence of such differences on consumers' adoption of new technology, Parasuraman (2000) introduced the construct of technology readiness. Technology readiness is an umbrella construct accounting for the array of individual difference variables that in sum describe a person's mental readiness to accept new technologies.

2.2 Technology Readiness (TR)

TR refers to people's propensity to embrace and use new technologies for accomplishing goals. *"The construct can be viewed as an overall state of mind resulting from a gestalt of mental enablers and inhibitors that collectively determine a person's predisposition to use new technologies"* (Parasuraman 2000: 308). The underlying assumption of TR is that people's general beliefs about technology are a combination of positive and negative feelings. Even if the positive feelings push a person towards new technologies, the negative feelings may hold him or her back. At the measurement level, Parasuraman (2000) developed the Technology Readiness Index (TRI) to measure people's general technology beliefs. The TR construct consists of four sub-dimensions: optimism, innovativeness, discomfort, and insecurity. Optimism refers to a positive view of

technology, and a conviction that technology can give people increased control, flexibility, and efficiency. Innovativeness depicts people's tendencies to be technology pioneers and thought leaders. Discomfort relates to a perception of lack of control over technology and a feeling of being overwhelmed by it. Finally, insecurity involves a distrust of technology and doubts about its capability to function properly. Optimism and innovativeness are drivers of TR, while discomfort and insecurity are inhibitors. Positive and negative feelings about technology are likely to exist at the same time, and along a technology belief continuum people can range from having strongly positive attitudes at one end, to have strongly negative attitudes at the other. Furthermore, individual technology beliefs can vary independently on the four facets (Parasuraman 2000; Colby and Parasuraman 2003).

People's placement on the technology readiness continuum in term of positive or negative feelings can be inferred from their previous technology experience and knowledge, as predicted by Agarwal and Prasad (1999). Prior experience is intuitively related to familiarity and expertise (Kim et al. 2008). Familiarity refers to how much an individual knows or perceives (Rao and Monroe 1988), while expertise can be described as the ability to apply a solution to a task-related problem (Mitchell and Dacin 1996). As people through usage, gain experience with technology, their knowledge increases because of the assimilation of information (Hayes-Roth 1977). Simultaneously, their level of familiarity and expertise expands, resulting in increased feelings of own technology capabilities, which can be transferred to a positive view of technology in general, and increased motivation to utilize new technologies. Conversely, while consumers with little or no previous experience with technology possess less familiarity and expertise, they are more likely to exhibit stronger feelings of discomfort and insecurity.

Extended research on TR by Colby and Parasuraman (2003) suggest five distinctive technology segments with different combination of beliefs: explorers, pioneers, sceptics, paranoids, and laggards. The explorers are the most techno-ready segment. They are the first to try new technologies, are highly motivated to adopt technology, and have few inhibitions. The pioneers are also highly motivated to adopt technology, but are at the same time inhibited by high levels of

insecurity. Sceptics have few motivations, but have also few inhibitions to adopt e-service technologies. The segment of paranoids might believe in the benefits offered by technology, but are constrained by high levels of insecurity and discomfort. The least techno-ready segment is the laggards. They have little or no motivation and a high level of resistance to adopt new technologies (Colby and Parasuraman 2003).

Parasuraman (2000) empirically confirmed the link between people's level of TR and their predisposition of using technology. Moreover, in the light of online services, it has been established that consumers' TR level has a positive impact on online service quality perceptions, and subsequent online behaviour (Lin et al. 2007). However, additional empirical findings in support of this link are still sparse and confounding (Zeithaml, Parasuraman and Malhotra 2002; Liljander et al. 2006). Liljander et al. (2006) investigated the effect of TR on customers' attitudes towards using airlines self-service technology (SST), and found the construct to have modest impact on attitudes towards SST, on adoption behaviour, and on SST evaluations. The findings lead Liljander et al. to the conclusion that the role of TR alone might be minor in explaining individuals' technology adoption behaviour. With the words of Lin et al. (2007: 644): "*the limited knowledge about TR constitutes a need to investigate TR in a broader framework.*"

Lin et al. (2007) noticed the strengths and weaknesses of both the TAM and TR frameworks, and proposed that an incorporation of the two could broaden the applicability and the explanatory power of either of the prior models. They reasoned that TR can account for the individual differences missing from TAM, while TAM, through the mediating effect of perceived ease of use and perceived usefulness better can explain how people's mental technology evaluations might precede usage intentions. In the context of consumer adoption of e-service systems they introduced the Technology and Readiness Acceptance Model (TRAM).

2.3 Technology Readiness and Acceptance Model (TRAM)

Even though TAM is used to measure perceptions of usefulness and ease of use for a particular system (i.e. system specific), while TR are representing general

technology beliefs (i.e. individual specific), Lin et al. (2007), based on theories from the domain of consumer behaviour, make the claim that the two models are intuitively interrelated. In general, when consumers are faced with a choice, they search their memory for available information (Bettman 1979). As a consequence, in addition to various system characteristics, people's general technology beliefs stemming from prior experience may be utilized to attach perceptions of usefulness and ease of use of a specific system. Such experience-based evaluations may be more prominent for consumers with a low level of system-specific knowledge (often the case with new innovations), who are more likely to process choice alternatives using non-figurative general criteria (Bettman and Sujan 1987). Thus, based on the above reasoning it might be deduced that when people evaluate new technology in terms of adoption intentions, cognitive information on TR is retrieved and processed before explicit cognitive assessments (i.e. usefulness and ease of use) (Lin et al.2007). Within the field of consumer behaviour it is generally accepted that consumers' previous product knowledge and experience is influential in the utilization of cues (Rao and Monroe 1988) and message processing (Peracchio and Tybout 1996) in a product evaluation context. Consumers who have more explicit product knowledge may search for additional information when faced with a choice as they have a high awareness of existing attributes (Brucks 1985), and are likely to identify relevant information more precisely (Alba and Hutchinson 1987). More knowledge equals more experience and familiarity, allowing consumers to form experienced and sometimes expert evaluations (Hayes-Roth 1977). Thus, it could be expected that high-knowledge consumers will engage in more effortful processing of issue related information regarding product features (Alba and Hutchinson 1987; Peracchio and Tybout 1996). Moreover, consumers' expectations, tailing from prior beliefs stored in memory might have an effect on consumers' perceptual encoding of marketing information (Bettman 1979). In sum, consumers' experience-based prior beliefs are important in information processing guidance and in directing behaviour (Roedder-John, Scott, and Bettman 1986). According to Crocker (1981) prior beliefs help people decide which data that are relevant, interpret and integrate information, and use the estimate to make additional judgments. As already inferred from the previous sections, it is found that people with more technology knowledge and/or experience form stronger computer self-efficacy (Venkatesh and Davis 1996; Gist and Mitchell 1992; Wang et al. 2003)

and have a stronger perceived control over information technology related tasks (Kang et al. 2006; Trevino and Webster 1992). Similar, studies on diffusion of innovations highlight the role of prior experience as critical in the belief formation stages, building “how-to knowledge” (e.g. Wood and Moreau 2006). This linkage can be explained by higher levels of accumulated expertise and familiarity that facilitates greater learning (McGeoch and Irion 1952; Agarwal and Prasad 1999) and knowledge, that more easily can be transferred to a similar context (Kim et al. 2008). The link between consumers’ experience from previous usage of technology and their perceptions about its ease of use and usefulness, and their subsequent online behavioural intentions, are empirically confirmed through several studies (e.g. Gefen 2003; Karahanna, Straub and Chervany 1999; Yoh et al. 2003).

Founded in the theory portrayed above, Lin et al. (2007) hypothesized TR to be a causal antecedent of both perceived usefulness and perceived ease of use, which again affect consumers’ use intention of e-services. The TRAM model was tested by measuring consumers’ intentions to use online stock trading systems. It was found that perceived usefulness and perceived ease of use together had complete mediation effect between TR and consumers’ use intention, as predicted by Davis et al. (1989). Lin et al. (2007) concluded that TRAM, by integrating individual differences with system characteristics, to a large extent broadens the applicability and explanatory power of either of the two models (i.e. TR and TAM) alone.

3.0 Social Technology Readiness: Consumer-Company Interaction in Social Media

This thesis proposes that the link found by Lin et al. (2007), between individual differences and evaluations of system characteristics can be transferred to the setting of social technology. By adapting the TRAM model we aim to describe how social media users' differing levels of experience and familiarity with social technology are likely to influence their attitude towards consumer-company interaction in social media channels. However, in order to apply TRAM we argue that the original model is in need of some context-specific changes. In the below section these changes are presented stepwise, leading up to our empirical research model along with its hypotheses.

3.1 *Intention vs. Attitude*

Instead of using intention to interact with companies, or actual usage, as the dependent variable, this paper uses attitude towards interaction. This choice is based on both theoretical and practical reasons. Theoretically it has been shown that unless intentions to use are well formed, they do not completely capture the effect of attitude on actual usage (Bagozzi and Yi 1989). As such, in cases where intention is poorly formed (i.e. one give little consideration to the consequences of behaviour), attitude will affect usage directly. Bagozzi (1990) found this "attitude predicting usage" relationship to be equally true when effort to use the technology is low or moderate. Interaction with companies in social media requires *some* effort on the consumers' behalf (e.g. basic understanding of social media, looking up the explicit company, and initiating communication). However, social technology already facilitates such interaction in a relatively easy manner, and to (learn to) use the technology cannot be said to exceed a moderate level of effort. Therefore, replacing the intention construct with attitude towards interaction can be theoretically justified (Chau and Lai 2003). Moreover, even though a number of Norwegian companies have entered social media, consumer-company interaction in these channels is still at an infancy stage. Many companies have yet to utilize and/or understand the inherent features of social media, and use it mostly as a one-way communication channel. And while some companies have managed to successfully adopt social technology, the number of consumers using social media to interact with companies is still limited. Thus, as a consequence of this

practical limitation we focus on the attitude construct instead, and contend that attitude can predict actual interaction when Norwegian companies' utilization of social technology evolves further.

3.2 Perceived Usefulness and Perceived Ease of Use

Except from this alternation of the dependent variable, the remaining variables in the TAM part of the model, perceived ease of use and perceived usefulness, and the relationship between the two, equals the original. However, instead of measuring users' perceptions of perceived ease of use and perceived usefulness of a specific technology system, these beliefs are measured on a particular facet of social technology, namely the enabling of consumer-company interaction in social media channels. We argue that the TAM construct is both appropriate and useful in this setting, in order to gain valuable consumer insights on a relatively new phenomenon.

3.3 Social Technology Readiness

Liljander et al. (2006) propose that the measurement items of TR (the TR index) might be too general to capture domain-specific differences, as they are closely associated with specific service channels, which are undergoing constant development. Consequently, Liljander et al. suggest that the TR construct can be proven more accurate if it is adapted to the context-specific setting of the technology in question. Within the context of this study, the target group has already employed social media technology, and it is expected that these people master basic computer skills and possess some level of computer self-efficacy. Thus, it can be argued that the target group, to some extent, already has exhibited a mental readiness to accept new computer innovations. That is, social media users' propensity to include company interaction as part of their social media habits are not likely to be determined by their beliefs about technology in general. Instead, we reason that users' perceptions of ease of use, perceived usefulness, and their subsequent attitude towards company interaction in social media, will be guided by specific beliefs about social media as a communication channel. We have therefore, in accordance with Liljander et al. (2006), adapted the TR construct to the context of social media, and narrowed it down to social technology. In our model, Parasuraman's (2000) TR is replaced with the construct of Social Technology Readiness (STR). STR equals TR in terms of drivers

(optimism and innovativeness) and inhibitors (discomfort and insecurity).

However, instead of measuring people's general technology beliefs, STR is meant to measure specific beliefs concerning social media technology. Thus, it can be defined as follows:

Social Technology Readiness refers to people's propensity to use social media for accomplishing goals.

As the original construct is adapted, the sub-dimensions need to be changed accordingly. As such, optimism relates to a positive view of social technology, and a belief that it offers people increased, control, flexibility, and efficiency. Innovativeness refers to some people's tendency of being pioneers and thought leaders within social media. Discomfort relates to a perception of lack of control over social technology, and a feeling of being overwhelmed by it. Finally, insecurity entails distrust of social technology, and scepticism about the consequences of using it.

In light of the principal consumer behaviour theories and information system research underlying TRAM, we argue that an individual's position on the social technology belief continuum, and subsequent perceptions of perceived usefulness and ease of use, are dependent on previous experience and usage level of social media. What types of social media people use, for what purposes they use it, how much time they spend on it, and the type of activities they engage in through these channels, are all plausible influencers of their general social media perceptions. Moreau et al. (2001) argue that consumers' ability to understand web-based information is structured and constrained according to their experience. In similar terms, Macias (2003) found that consumers, depending on how content they are with the features and boundaries of the web, are likely to relate and interact differently online. Moreover, relevant prior experience is found to result in positive perceptions of usefulness of Internet communication technologies (Irani 2000). As people, through usage, gain experience with a technology, their knowledge increases because of the assimilation of information (Hayes-Roth 1977). Therefore, within the context of a specific technology, people who possess familiarity and expertise may require a modest amount of additional information, and consequently be more likely to use a new technology channel for the sake of

convenience (Howard 1977; Bettman 1979; Kim et al. 2008). Active users of social media are more probable to have a clear understanding of how social technology works, and to be confident in its usage. They use social media for a broad range of purposes, including both personal and professional needs, and have adapted social media as a natural way of communicating with other people. It is reasonable to suggest that these users, by virtue of their experience and understanding of social technology, have developed mental models and conceptual knowledge that enables them to transcend the idiosyncratic behaviour to any aspect of such technology (Soloway, Adelson and Ehrlich 1988). Such conceptual knowledge or schema then provides the positive inference and allows active users to learn and assimilate new features of social technology more readily (Agarwal and Prasad 1999; McGeoch and Irion 1952). Thus, one can argue that these people will have a more positive view of social media as a communication channel, and are more probable of understanding how social media can facilitate interaction between companies and consumers. Conversely, people who out of various reasons are using social media less frequently will be less familiar with social technology features. These users will not share the same level of expertise and “how to knowledge” as the previous group, to guide their perceptions about social media in general, and consequently their specific beliefs about explicit social media features, like perceived ease of use and usefulness of company interaction. As a result, they are more likely to neglect relevant issue-related information in their evaluations of such features (Alba and Hutchinson 1987; Peracchio and Tybout 1996).

3.4 Research Hypotheses and Empirical Model

The above elaboration provides the underlying theoretical fundament for the correlation between STR, perceptions of usefulness and ease of use, and attitudes towards interaction with companies in social media. This study hypothesize that general STR beliefs is a causal determinant of explicit cognitive evaluations of usefulness and ease of use of engaging in such interactions.

H1: Social media users' social technology readiness is positively correlated with attitude towards consumer-company interaction in social media.

This hypothesis is included to see if Parasuraman's (2000) empirical findings on the TR construct can be transferred to the context-specific setting of social technology, and explicitly for consumer-company interaction.

H2: Social media users' perceptions of usefulness of consumer-company interaction in social media are positively correlated with attitude towards interaction.

H3: Social media users' perceptions of ease of use of consumer-company interaction in social media are positively correlated with attitude towards interaction.

H4: Social media users' perceptions of ease of use of consumer-company interaction in social media are positively correlated with their perceptions of usefulness about it.

Hypothesis 2 to 4 is a replication of the ones tested by Davis (1989), but applied to consumer-company interaction in social media.

H5: Social media users' social technology readiness is positively correlated with perceptions of usefulness of consumer-company interaction in social media.

H6: Social media users' social technology readiness is positively correlated with perceptions of ease of use of consumer-company interaction in social media.

H7: Social media users' perceptions of usefulness and ease of use of consumer-company interaction in social media, together completely mediate the relationship between their social technology readiness and attitude towards interaction.

Hypothesis 5 to 7 equals Lin et al.'s (2007) contribution to incorporate TRAM and TR. H7 is in line with Davis et al. (1989), forecasting that beliefs about ease of use and usefulness together completely mediate the effects of social technology readiness on attitude towards interaction. I.e. the correlation predicted in H1 is non-significant in the full model.

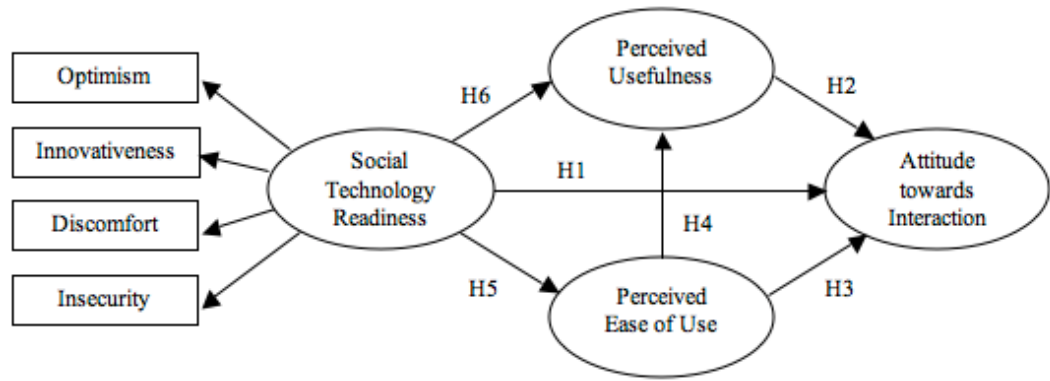


Figure I: Research Model: TRAM – Consumer-Company Interaction in Social Media

The social media-specific TRAM model along with the research hypotheses are illustrated in figure I. In short, the model depicts that the construct of STR is determined by general positive and negative feelings towards social technology in the form of optimism, innovativeness, discomfort and insecurity. The arrows in-between STR, perceived usefulness, perceived ease of use and attitude towards interaction represents the predicted relationships as presented in the hypotheses above.

4.0 Research Methodology

In order to provide an understanding of the empirical foundation and data collection procedures of this paper, we will in the following part go through the chosen methodology. The methodology is presented, and then debated in terms of strengths and weaknesses regarding reliability and validity.

4.1 Research Design

This study applies a combination of an exploratory and a descriptive research design. An exploratory research design is used to gain insights on a problem-area where existing information is sparse, in order to build an understanding of the topic of interest. Such designs normally involve the use of an unstructured format or informal procedures to collect and interpret data (Hair, Bush and Ortinau 2006a). In order to develop the items measuring the construct of social technology readiness, and the items of perceived ease of use and perceived usefulness of consumer-company interaction, an exploratory design was chosen, and qualitative research in the form of focus group sessions were conducted. Descriptive research involves the use of structured scientific methods; collecting data that describe the defining characteristics of a specific target population (Hair et al. 2006a). The overall research objective of this thesis is dependent on the collection of extensive information from a large enough sample, so that inferences can be made about the market factors we are investigating. Consequently, a quantitative approach is called for. After developing the items on the basis of the focus groups sessions, we therefore chose a descriptive design, conducting a quantitative online survey on Norwegian social media users, to see if our measurement model and research hypotheses held up in a bigger population.

4.2 Instrument Development

To ensure the content validity of the scales, the items selected must represent the concept about which generalizations has to be made (Bohmstedt 1970). The best way to ensure content validity is to select and adapt items from previously validated instruments. To the extent possible, we attempted to borrow items from prior research. As such, the three items measuring attitude towards interaction were taken from Chau and Lai (2003). Chau and Lai (2003), similar to this study, replaced the original TAM construct of usage intention with the attitude construct.

Therefore, the items validated through that study appear to match the purpose of this paper.

In the context of TAM, items on perceived usefulness and perceived ease of use have been developed, validated and adopted in a number of studies (e.g. Davis 1989; Wang et al. 2003; Pavlou 2003; Venkatesh and Davis 2000). However, while reviewing existing research we found most of these items to be inappropriate for the context of this paper. As already explained, TAM is normally applied on a specific technology system. In this study, we use the TAM constructs on the specific feature of consumer-company interaction in social media. While an explicit technology system, for instance an Internet banking system, to a certain degree has structural limits regarding its usage area, social technology spawns a much broader area of utilization. Moreover, since the TAM framework was developed with studies of relatively simple and unsophisticated technologies (e.g. word processing tools and e-mail), the items from Davis (1989) are accordingly restricted to the limitations of that technology. As such, the implications of consumer-company interaction in social media are much wider than the original TAM items can account for. Thus, given the context-specific setting of social media, we found ourselves in need of developing a new set of items in order to ensure representation of perceived usefulness and perceived ease of use of consumer-company interaction. This is equally the case of the social technology readiness construct. As this construct is meant to measure peoples' beliefs about social technology specifically, the original TR index from Parasuraman (2000) measuring general technology beliefs cannot be applied in this study setting.

In the work of developing a new set of items to measure the constructs of STR, perceived usefulness and perceived ease of use, we found it necessary to conduct qualitative research. In order to obtain first-hand insights on social media users' perceptions of social technology and company presence in social media we therefore conducted two focus group sessions.

4.2.1 Qualitative Research: Focus Groups

The focus group sessions were conducted in accordance with general guidelines listed by Hair et al. (2006a). The groups were set up to be as homogenous as

possible, but with enough variation to allow for contrasting opinions. In both groups all the participants were users of social media. Together, the two groups captured a variation in age, gender, professional background, and usage diversifications. The sessions were divided in two parts. In the first part the participants were asked to discuss social technology in general, and throughout the discussion they were probed on the predicted drivers and inhibitors of STR (optimism, innovativeness, discomfort and insecurity). In the second part the discussion topic was company presence in social media. Here the participants were asked to share their own experiences of company interaction, and discuss the phenomenon in terms of perceived ease of use and perceived usefulness in relation to other communication channels. Participants were also asked to put themselves in the position of a company, and suggest why they should use social media. The moderator guide can be found in appendix II.

General themes from the two focus group discussions supported the predictions that users have positive feelings as well as concerns about social technology. Availability, building and maintaining personal and professional networks, and ease of communication are examples of main positive themes that came out of the focus groups. On the negative side, lack of control over personal information, fear of exploitation, and time consumption emerged as important matters. Regarding consumer-company interaction in social media, the focus groups reported differing opinions in terms of perceptions of usefulness and ease of use. Convenience, flexibility and speed of communication were mentioned by more optimistic participants, while opinions of scepticism surfaced in terms of unwanted advertising, invasion of privacy, and company misuse of social technology. In relation to perceived ease of use, one specific theme exteriorized itself as a relevant topic in both groups; a number of participants expressed a disbelief in companies' abilities to utilize social technology in accordance with normative usage. Several examples of companies that used social media channels for one-way communication were mentioned, and as commented on by several participants, such usage makes consumer-company interaction difficult.

The focus group respondents mentioned several explicit aspects in relevance to these and other themes that were used as foundation for generating items to measure social technology readiness, perceived usefulness and perceived ease of

use. Written focus groups reports are included in appendix III. Ideally, we would have liked to conduct several additional focus group sessions in order to obtain as much consumer insights on the topic as possible. However, due to time restrictions and issues concerning recruitment of participants, we had to settle with two.

4.2.2 Pre-test

The items constructed from the focus groups and the attitude items from Chau and Lai (2003) were put together in a questionnaire, which also included a set of demographic variables (age, gender, type of social media used, usage area, and time spent on social media). The questionnaire was pre-tested on a sample consisting of students at BI Norwegian School of Management, and a selection of advisors from Norwegian communication agencies. The pre-test was distributed through social media channels, e-mail, and personal contact. Appended to the questionnaire was also four questions related to how respondents evaluated the survey. Furthermore, the respondents were encouraged to write their comments in free text. From this pre-testing a lot of valuable feedback was obtained concerning language, structure, and unclear questions. In accordance with the most relevant feedback we made several changes to the original questionnaire and conducted one more round of pre-testing. The responses from this second round were to a great extent satisfactory, and following a few language related changes this version ended up being the final questionnaire.

In addition to the five introductory demographic variables, the final questionnaire counted a total of 45 items. All the items were presented in the form of statements using a seven-point Likert scale, with anchors ranging from “strongly disagree” to “strongly agree.” As recommended by Parasuraman (2000), the STR items were presented in a randomly mixed order. The attitude items from Chau and Lai (2003) were translated from English to Norwegian, and then translated back into English to ensure equivalent meaning (Brisling 1980). The items developed specifically for this study were in Norwegian, and are translated to English for presentation in this paper. A complete version of the questionnaire in both Norwegian and English is listed in appendix IV and V.

4.3 Sampling Frame and Data Collection

This research is limited to Norwegian users of social media. Non-users of social media are excluded, as these are not considered to be relevant in order to answer the research question of this paper. People who are yet to adopt social technology are not likely to hold enough knowledge and experience to make well-founded evaluations about whether social media is a suited channel for consumer-company interaction. Furthermore, from a company perspective these people are not of particular interest in this context. In order to reach only users, a link to an electronic survey made in Questback, was disseminated through social media; on Twitter, Facebook, LinkedIn, blogs and Google Wave. Due to the nature of Twitter, which facilitates spreading of information, this media gave the highest response rate. More than 150 Twitter users “retweetet,” i.e. re-transmitted the message, making it accessible to several thousand possible readers. Facebook was also used, but is not as efficient for spreading messages quickly. We posted the link for our networks to participate in the survey. In addition we asked a selected few of our contacts, who had large networks of their own, to do the same on their profiles. On LinkedIn we posted the link in several discussion groups, urging people to take the survey as well as continue to spread the link to others. Finally the link was posted on a blog, and in a public wave in Google Wave. During the two weeks in October 2009 we obtained a total of 826 respondents. Since some elements of the population had no chance of being selected this is a nonprobability sample. We chose a convenience sample partly due to considerations of feasibility and economic constraints (Pedhazur and Schmelkin 1991). More importantly the sample method was chosen based on characteristics of the population. It is difficult to find accurate numbers of Norwegian social media users. Snowball sampling is a convenience technique that is often used in such hidden populations. Participants were urged to recruit more subjects into the sample from among their acquaintances.

According to Facebook Advertising (2009) there are 2 million Norwegian Facebook users. However, this number is inaccurate as it counts registered accounts and not unique users. A study from TNS Gallup found the actual number to be closer to 1, 1 million (Journalisten 2009). Norwegian Twitter-users are even harder to estimate. Users are not required to register a location when they sign up, and the ones who do can register a variety of locations, e.g. “Norway”, “Norge”,

or “Oslo.” There is also no easy way to search for people by location. Tvitre.no attempts to track Norwegian Twitter users and currently lists 75 000 users. People can register themselves, and Tvitre.no combines that with location search, language recognition and manually adding users. The study from TNS Gallup was conducted a few months ago, but found a relatively similar number of 68 000 users (Journalisten 2009). Advanced search on LinkedIn.com reveals that almost 224 000 registered users are from Norway. As for blogs, Halogen (2009) have found a total of 453 500 blogs, by adding up the registered users of five different blogging platforms.

Convenience samples usually means the researcher cannot scientifically make generalizations about the total population, because it would not be representative enough (Pedhazur and Schmelkin 1991). However, we included the demographic variables of age, gender and type of social media used, to ensure that the final sample was comparable to previously gathered demographic data of the Norwegian social media user population. This way it is possible to detect characteristics of our sample that can be used to indicate discrepancies between those surveyed and users in general. Large deviations will considerably reduce the external validity of the findings. In advance, given the survey topic and the distribution through social media, we suspect that active users of social media will be more likely to show interest and contribute more to spreading of the questionnaire. Nevertheless, as this study is exploratory in nature we argue that the findings will have a value. First of all, it serves a purpose in the development and assessment of the hypothesised model. The linkage of established theory to a new market phenomenon, can serve as a starting point for further research. In addition, even though it is dangerous to generalize the findings, they can be used as an indication of how social media users might vary in their predispositions to use social media for consumer-company interaction.

4.4 Analytical Procedures

The data collected through Questback was initially run in SPSS in order to prepare the dataset for confirmatory factor analysis (CFA). Issues of missing values and uncompleted questionnaires were not present. Nine of the items concerning social technology readiness are reverse scored. For example one of the items measuring innovativeness (INNO1) is phrased; “*I am in social media*

mainly because all my friends are there.” On the seven-point Likert scale, ranging from “strongly agree” to “strongly disagree,” a respondent that is considered to be innovative would be likely to express disagreement and answer close to one. Conversely, another innovativeness item (INNO3) is phrased; *“I am always open to trying new social media.”* On this item an innovative respondent would be more probable to express agreement and answer closer to seven. Items that are negatively worded in a scale must be restored in a positive direction in order to match the other items in the scale. In SPSS we transformed the nine items that had reverse score. The values of 7 were recoded to 1, the values of 6 to 2 etc.

Reliability assessments of the scales were also conducted in SPSS. All observed measures were categorized in relation to the latent construct they were meant to measure and Chronbach Alpha (α) was calculated for all seven constructs. The CFA was conducted using LISREL 8.8. First a covariance matrix was computed in SPSS, which subsequently was converted to LISREL. The covariance matrix allowed LISREL to read the covariation among the variables, and was used to conduct a CFA using the Maximum Likelihood (ML) extraction method. Overall model fit and validity assessments of the scales were then evaluated. Furthermore, in order to conduct an alternative CFA, using diagonally weighed least squared (DWLS) parameter estimation; LISREL was applied to make an asymptotic covariance matrix. See appendix VII for LISREL and SPSS syntaxes.

4.5 Validity and Reliability

Validity and reliability are critical factors when considering errors that might influence the results. Reliability is the extent to which a set of variables is consistent in what it is intended to measure, while validity refers to how well the measures correctly represents the concept of the study. That is, validity is concerned with what is studied, and reliability relates to how it is measured (Hair, Black, Babin, Anderson and Tatham 2006b).

4.5.1 Validity

External validity is the degree to which the results of the study can be generalized beyond the current sample. We have already discussed the threats to external validity caused by a convenience sample, which is the case of this study. In this sense the external validity might be considered a weakness of the chosen

methodology. However, as argued above, we are primarily concerned with developing a satisfactory measurement tool and generalizability is not priority number one at this stage. *Face validity* is the extent to which the items are consistent with the construct definition, and is assessed solely in the researchers' judgement (Hair et al. 2006b). In this sense, face validity is accounted for by the theoretical elaboration leading up to the model development. *Construct validity* involves the accuracy of measurement and refers to how well a set of measures reflects the theoretical latent construct it is designed to measure (Hair et al. 2006b). The CFA must not only ensure acceptable model fit, but must also show evidence of construct validity. An important component of construct validity is *convergent validity*, which is present when the indicators of the same construct have a high proportion of variance in common. In the results section below, we assess convergent validity by examining the factor loadings and explained variance in the model analysis. Reliability is also an indicator of convergent validity. In the next section we address reliability through Chronbach's α estimates. *Discriminant validity* involves constructs that are strictly distinct from other constructs, and further means that measured items should only represent one latent construct (Hair et al. 2006b). Discriminant validity is accounted for by evaluating indicators for unusual correlations, in order to avoid overlaps.

4.5.2 Reliability

Reliability measures the degree to which a set of indicators of a latent construct is internally consistent in their measurement. The indicators of reliable constructs are highly interrelated, demonstrating that they all seem to measure the same thing. A construct that is explained by more items generally produces higher reliability estimates and generalizability (Bacon, Sauer and Young 1995). However, as many indicators as possible is not a goal in itself. Ideally one should try to employ as few indicators as needed in order to ensure satisfactory representation of the construct. Hair et al. (2006b) suggest that a minimum of three or four items per construct is a good rule of thumb. Our measurement model includes a fairly high amount of indicators (45), and this is above all true for the measure of optimism, which has a total of eleven indicators. Since these indicators are developed specifically for the context of this study, this will be the first time they are empirically tested. Given the exploratory nature of this work, it is expected that some of the indicators might be found to be imprecise measures of

the latent constructs, and consequently will have to be removed from the final model.

Table I lists the Chronbach's α scores, i.e. reliability measures, for each of the construct included in our model. A rule of thumb is that reliability estimates over .70 suggests good reliability, while values between .60 and .70 indicates acceptable reliability, given that other indicators of the model's construct validity are decent (Hair et al. 2006b).

Construct	Observed measures	Number of items	Chronbach's alpha
<i>Optimism</i>	OPT1 - OPT11	11	.745
<i>Innovativeness</i>	INNO1 – INNO7	7	.704
<i>Discomfort</i>	DISC1 - DISC6	6	.586
<i>Insecurity</i>	INSEC1 – INSEC7	7	.763
Table I. <i>Perceived usefulness</i>	PU1 – PU7	7	.746
Construct <i>Perceived ease of use</i>	PEU1 – PEU4	4	.744
reliability <i>Attitude</i>	ATT1 – ATT3	3	.939

As can be seen from table I, attitude has the highest reliability score. This was expected, as these items have been adopted from prior validated research. Furthermore, the constructs of optimism, innovativeness, insecurity, perceived usefulness, and perceived ease of use are all proven reliable in light of the .70 rule. The construct of discomfort however, has a fairly low Chronbach α , with a score of .586. This is relatively close to what is considered acceptable, but is still a cause of concern. By running a reliability analysis on each of the discomfort items separately we found the Chronbach α of the construct as a whole to increase if the item labelled DISC 5: “*I get overwhelmed by the amount of unnecessary information in social media*” was removed from the analysis. This indicates that this item is not a sufficient measure of discomfort. When excluding DISC5, discomfort obtained a reliability score of .631, which can be argued to be acceptable. However, at this point of the analysis we chose not to exclude any of the initial items, but rather first run a confirmatory factor analysis on the full model to get a view of the explained variance and factor loadings of all the items.

5.0 Results

In this part the obtained results from the online survey are presented. Starting with descriptive statistics, we briefly describe the sample characteristics and differences between age groups, genders and social media users. Next, a two-step structural equation modelling (SEM) process is applied. The measurement model fit and construct validity is first assessed using CFA. Then the structural model is tested, examining the significance of the hypothesised relationships.

5.1 Descriptive Statistics

Through examination of *mean* values (appendix VI) and *frequencies* we see that the majority of respondents have high technology optimism and relative high levels of innovativeness. Questions related to discomfort point in somewhat different directions, although there is a tendency towards low levels of discomfort. Insecurity also reveals differences among respondents, but most questions suggest low levels of insecurity. However, the two opposing questions directly related to safety; “*I do not consider it safe to give out personal information in social media,*” and; “*sharing information in social media is much safer than critics claim,*” disclose uncertainty or indifference among respondents. A crosstabulation between the two reveals that almost half of the respondents chose the option “neither/nor” for at least one of these questions. This could mean that they either are unsure about the safety level in social media, or that they neither feel particularly safe nor unsafe. Furthermore, the majority of respondents rate the usefulness of interaction high, but at the same time agree that; “*most companies do not have sufficient knowledge about how social media should be used.*” This could indicate that they see potential usefulness in such interaction, but regard the current state of most companies’ social media skills as poor. The majority of respondents also rate the perceived ease of use high, although there is a high percentage of respondents that neither agree nor disagree. This might be a sign that a lot of people simply have not considered the pros and cons of consumer-company interaction in social media, or the concept of such interaction at all. Particularly the first two questions about ease of use; “*interacting with companies through social media seems more convenient than through other communication channels*” and; “*interacting with companies through social media seems faster than through other communication channels,*” appears to have been difficult for many respondents to judge. More than one fourth neither agree nor disagree with

these statements. Of course, it could also mean that they simply view it as similar in speed and convenience. Finally, the majority of respondents have a positive attitude towards interaction.

All questions have *standard deviations* below the critical value of 2 (see appendix VI), although some are slightly high, which could indicate that there are disagreements among the respondents. The question; *"I have avoided trying out new social media because I get along well without them,"* has the highest standard deviation (1,972) and variance (3,890). A problem with this question that could explain these variations is that it may have been unclear for respondents whether we meant a specific new social media tool, or social media in general. A similar question; *"I have avoided trying out new social media because I do not understand how they work,"* is slightly left-skewed with a value above 1,5. *Skewness* is a measure of symmetry in the distribution of data, compared with a normal distribution. Skewness values outside the range of -1 to 1 are considered substantial (Hair et al. 2006b). The skewness also appear to be reflected in the mean, which is the second lowest in the dataset (1,89). The question; *"in general I feel that social media is difficult to use,"* is also left-skewed (1,867) with the lowest mean in the dataset (1,81). In addition, this question has a somewhat high kurtosis value (3,441). *Kurtosis* is a measure of the peakedness or flatness of a distribution, compared with a normal distribution. Both of the above-mentioned questions imply that the respondents lack competence or knowledge, which might be difficult to objectively assess, thus leading to an unnaturally high degree of disagreement. It could also mean that respondents mostly are highly technology savvy. Even though some of the questions in our dataset are slightly skewed, and/or have a somewhat flat or peaked distribution, none are too extreme. Moreover, both Hair et al. (2006b) and Tabachnick and Fidell (2007) argue that skewness and kurtosis is less of a concern with large samples (i.e. above 200 respondents). Thus, with a sample of 826 respondents we need not to worry too much about these risks.

5.1.1 Characteristics of the Sample

In total 826 respondents answered the online survey. The sample provides a slightly uneven gender distribution with 60 % men and 40 % women.

Furthermore, three-quarters of the respondents range between the ages of 25 and

49, with the largest majority (36,2 %) aged 30 to 39. Approximately 15 % of the sample is between the ages of 15 and 24, indicating that people from the “Internet generation,” the “digital natives,” are somewhat underrepresented. 6,1 % of the respondents are in the age group 50 to 59, and interestingly enough 1,7 % are above the age of 60. These variations in age can be viewed as a token of the impact social technology currently has, across demographic differences.

A majority of the respondents can be characterized as active users of social media, with 26,9 % of the respondents reporting that they generally use social media actively throughout the day. The majority and almost half of the respondents (48,8 %) use social media regularly, up to several times a day. Just 2 % indicate that they use social media once during a week or less. In relation to usage areas and purpose, the greater part of the sample report that they use social media both privately and in relation to their work or studies (74,1 %). Almost one in four (23,6 %) uses it only for private reasons, while the remaining 2,3 % use it solely for work and/or studies.

Regarding type of social media utilized, Facebook stands out as number one, with 91,2 % of the respondents being Facebook users. This is a clear sign of Facebook’s position as the most popular social media amongst Norwegian users. As many as 75,9 % of respondents are Twitter users. With Twitter still being a relatively small niche network, this is a sign that the sample is not representative for the entire population of Norwegian social media users. Furthermore, 56,1 % of respondents are LinkedIn users, which is not too surprising with the majority of respondents being 30 years or older. However, LinkedIn is also a small niche network, and a representative sample would have less of these users. Similarly 65 % read blogs and 42 % are bloggers themselves, further pointing towards a tech savvy sample.

5.1.2 Crosstabulations Based on Demographics

Differences between age segments

There are variations between age segments, but most of the variations do not point in any specific directions. There are no questions where different age groups lean towards opposite poles, but there are variations within degree of agreement or disagreement. 30-59 year olds are more interested in trying out new

communication tools, using social media to build work or study related relationships, and in sharing experiences and knowledge. Slightly more 15-29 year olds say that they use social media because their friends do, are afraid to miss out on something, do not feel they have control over their time spent in social media, and feel that it goes at expense of more important activities. Older people are increasingly more concerned about what they write in social media, in particular 30-59 year olds. More 15-29 year olds think that interaction with companies in social media may be useful, and that it is more convenient and faster. Generally they also have a more favourable attitude towards interaction.

Differences between genders

Variations between the genders are generally very small. Men seems to be slightly more innovative, and women slightly more insecure and worried about their reputation in social media. With regards to consumer-company interaction men are somewhat more optimistic and rate usefulness higher. However, none of these findings are significant, and we cannot draw any conclusions.

Differences between user types

A vast majority (91,2 %) are Facebook-users. In general there are no major differences between those who use Facebook and those who do not. However, not surprisingly Facebook users are more likely to use social media to keep in touch with friends and acquaintances. There is a larger gap between users and non-users of Twitter. Twitter users are more optimistic towards social media. Specifically, they are more likely to try out new communication tools, more interested in building relationship for work or studies, more eager to express their opinions and make their voices heard, as well as share experiences and knowledge. The majority of Twitter users are also more innovative than non-users. They have a higher degree of discomfort related to their time spent on social media, but less discomfort related to being overwhelmed with information. Insecurity levels are similar. As for the questions related to consumer-company interaction, Twitter users generally got a more positive attitude and rate usefulness and ease of use higher. Non-users of Twitter have a higher tendency to neither agree nor disagree, which could indicate that they have less understanding of how such communication would be facilitated, or even enabled by social media. An obvious finding is that LinkedIn users are more concerned about building professional

networks, and get information that is work- or study-related. They are also more optimistic than non-users, but innovativeness, discomfort and insecurity levels are similar. LinkedIn users have a slightly more positive attitude towards consumer-company interaction, and they rate usefulness somewhat higher. Bloggers are more interested in expressing their opinions and making their voices heard, and to share experiences and knowledge. They are more innovative, but have similar discomfort and insecurity levels as non-bloggers. Their attitude towards consumer-company interaction and perceptions about its usefulness and ease of use is also similar. Blog-readers do not differ significantly from those that do not read blogs, although they are slightly more optimistic and innovative, and slightly more positive towards interaction, usefulness and ease of use. We chose not to attach the full Questback report due to the excessive amount of data.

5.2 Confirmatory Factor Analysis: Measurement Model

To test the measurement model a confirmatory factor analysis was conducted using LISREL. In the following section the analysis is presented stepwise in terms of the estimation methods applied, evaluation of model fit, and assessment of model parameters. To assess the model's overall goodness of fit, multiple indices of model-fit measures of differing types were used: the χ^2 test, normed χ^2 , goodness of fit index (GFI), adjusted goodness of fit (AGFI), normed fit-index (NFI), comparative fit index (CFI), RMSR, SRMR and RMSEA. First we ran the measurement model using the ML extraction method, which is the default option in LISREL.

5.2.1 Maximum Likelihood: Measurement Model

The ratio of χ^2 to degrees of freedom (df) is higher than recommended, and with a p-value of .00 the measurement model does not pass the χ^2 test. The χ^2 test is considered the most clear and convincing evidence of good model fit (Hair et al. 2006b). However, as the χ^2 value is influenced by sample size and number of indicator variables it will penalize complex models with large samples. In fact, most GOF indices share the problem of unfairly punishing such models (Hair et al. 2006b). As the measurement model has a total of 45 indicator variables with a sample size of 826 respondents, it must be considered both complex and large.

Fit indices	Recommended value	Measurement model	Structural model
χ^2 test	Above .05	.00	.00
χ^2/df	Below 3.0	5.7	5.7
Goodness of Fit (GFI)	Above .90	.78	.78
Adjusted goodness of fit (AGFI)	Above .80	.75	.75
Normed fit index (NFI)	Above .90	.88	.88
Comparative fit index (CFI)	Above .90	.90	.90
RMSR	Below .10	.24	.24
SRMR	Below .08	.089	.089
RMSEA	Below 0.10	.075	.075

Table II.
Fit indices for
measurement and
structural model

As illustrated in table II, the only model-fit indices that fulfil the recommended values are CFI and RMSEA. CFI is an improved version of NFI and among the most widely used indices (Hair et al. 2006b). RMSEA attempts to correct for the tendency of the χ^2 test to reject models with a large sample (more than 500) or a large number of observed variables. Thus, in contrast to most of the other indices, RMSEA provides an advantage when a model contains more variables (Hair et al. 2006b). The measurement model has an RMSEA of .075, and a 90% confidence interval shows that the true value is between .073 and .077. Thus, even the upper bound is below the limit. SRMR is also close to the limit value of .08. It seems that while most of the fit indices suggest that the measurement model has bad fit, the most relevant measures for a complex model with a large sample are within acceptable limits. Even if the fit measures still are debatable in terms of accepting the model, it can be argued that the complexity of the model and the preciseness of a LISREL CFA, which is sensitive to small adjustments, open for a recognition of this model fit as sufficient (Kreiberg 2009). Moreover, this study is considered exploratory, investigating the relevance of technology acceptance constructs in a social media setting. At this point in the research phase the overall goal is not to develop a conceptual “textbook model,” but rather to examine whether there are grounds for making these linkages. As such, we are not rigorously dependent on perfect model fit. We therefore moved on to assess the model validity.

The produced correlation matrix showed no signs of high correlations between items measuring separate constructs, indicating that discriminant validity can be accounted for. Convergent validity can be evaluated by examining the factor loadings and squared multiple correlations from the confirmatory factor analysis (appendix VIII). Factor loadings and squared multiple correlations (R^2) greater than .50 are considered to be significant, while above .70 is acknowledged as the ideal level (Hair et al. 2006b). *Optimism* with all eleven items provides an

explained variance of 87 %, which is the highest explained variance level among the constructs. It is likely that this can be subscribed to the high number of items measuring the latent construct of optimism. However, some of the questions have very low factor loadings and only five exceed the minimum level of .50, with two above the ideal .70 level. The seven indicators reflecting *innovativeness* provide an explained variance of 64 %, but only four of the questions' factor loadings exceed the .50 limit, with two above the .70 limit. *Discomfort* with all six items provides the lowest explained variance of all constructs with only 0,062 %. This adds to our concern from the reliability assessment, that discomfort is not a sufficient measure in this context. Three of the factor loadings are extremely low, while the remaining three all are above the .50 level and two above .80. The seven indicators reflecting *insecurity* also provide a poor explained variance of only 5,7 %. Five of the indicators have factor loadings above the .50 level and one is above the .70 level. We argue that optimism and innovativeness are reflected fairly well, because of a reasonable good Chronbach α score and acceptable measures of explained variance. However, low factor loadings and explained variance on some of the items must be taken into consideration, as it may suggest that observed measures is not fully captured by the questions in the survey. The inhibitors of social technology readiness, discomfort and insecurity, are more problematic as they provide low explained variance.

Perceived usefulness with all seven indicators provides and explained variance of 70 %. Four indicators have factor loadings above the .50 limit, and two are above the .70 limit. The four indicators of *perceived ease of use* provide a fairly low explained variance of 28 %. However, the factor loadings are all above the .50 level, and two are above .70. Finally, *attitude towards interaction* with all three indicators have an explained variance of 78 %, with one factor loading above .80 and the last two above .90, indicating that the construct is well reflected. This was expected, due to the fact that these items already have been proven valid by prior research.

In sum, several of the factor loadings and squared multiple correlations in the measurement model does not fulfil the necessary requirements, which means that evidence of convergent validity is questionable. On the other hand, the reliability assessment, which also is an indication of construct validity (Hair et al. 2006b),

showed sufficient Chronbach α scores for all items, with the exception of one item of discomfort (DISC5). A number of items also showed acceptable explained variance and factor loadings. With this in mind, we therefore argue that the model provide some evidence of convergent validity. Nevertheless, some of the items providing low explained variance and factor loadings might be candidates for removal in the final model. Before initiating an item-reduction process the model was run with an alternative extraction method to see if this could contribute to improved model fit.

5.2.2 Diagonally Weighted Least Squares: Measurement Model

A new confirmatory factor analysis was conducted using the Diagonally Weighted Least Squares (DWLS) method. This method is recommended when data are ordinal, categorical or mixed, and is known to go well with large samples and complex models. In contrast to ML, which uses the normal sample covariances, DWLS requires the estimation of an asymptotic covariance matrix of the sample correlations (Jöreskog and Sörbom 2006).

Fit indices	Recommended value	Measurement model (DWLS)
χ^2 test	Above .05	.00
χ^2/df	Below 3.0	13.35
Goodness of Fit (GFI)	Above .90	.89
Adjusted goodness of fit (AGFI)	Above .80	.88
Normed fit index (NFI)	Above .90	.86
Comparative fit index (CFI)	Above .90	.87
RMSR	Below .10	.11
SRMR	Below .08	.11
RMSEA	Below 0.10	.096

Table III.
Fit indices for measurement model using DWLS

As can be seen from table III, the ratio of χ^2 to df is even higher when using the DWLS method. However, we choose not to put too much emphasis on this, due to its inherent problem with sample size. Similar to the ML model, RMSEA is within the limit, although just barely. Moreover, the AGFI is above the recommended value of .80. In contrast, CFI is slightly below the acceptable threshold with a value of .87. GFI increased with DWLS and is very close to the acceptable .90 level. While RMSR, SRMR and NFI all fail to meet their respective recommended values, they are reasonably close to what is considered acceptable. Overall, the model fit improved somewhat using the DWLS extraction method.

Turning our attention to the model's factor loadings and explained variance, the

DWLS method provides slightly different results. The majority of the factor loadings and explained variances are in a similar range as in the ML model. However, discomfort with all six items provides a substantial increased explained variance. This is equally the case with innovativeness, which is now above the recommended value of .50. Noticeably, several of the factor loadings of items measuring optimism, innovativeness and discomfort are exhibiting negative loadings. This indicates a negative relation of the variable to the factor. Compared to the ML model, where all path estimations were in the expected directions, and exhibited correct positive or negative loadings in line with specifications, the negative factor loadings in the DWLS model appear odd. Low factor loadings were expected on some items, considering the fact that they have never been tested before. Still, from a theoretical point of view, there is nothing that suggests that these items should have a negative relation to their respective factors. This may be taken as a sign of biased parameters, which can happen if the model is not correctly specified. This is clearly not the case in this situation, as the measurement model is structured according to the underlying theory. Moreover, since the ML model was run on the same model specification, and exhibited no evidence of the same problem, we question the result from the DWLS extraction method. Consequently, since these factor loadings do not make sense from a theoretical viewpoint, we have no choice but to reject the model on the grounds of face validity. Factor loadings and explained variances can be found in appendix IX.

5.2.3 ML Measurement Model: Item Reduction

After rejecting the DWLS model, we are left with the ML model. Considering its complexity and sample size, this model can be argued to have sufficient fit. Nonetheless, low factor loadings and explained variance of some of the items calls for an assessment of whether some of them should be dropped. A “step by step” approach was taken, breaking the model down to single factors, adding items one by one in order to identify the most problematic ones. Prior to the partial assessment we had already identified the items providing low loadings and explained variance, and expected these to be the most relevant. These items included seven items measuring optimism, three items of discomfort, and two items of insecurity. While working through the steps our suspicion towards these items was confirmed. By removing the 12 items we obtained a model with factor

loadings and explained variances that were all above the recommended levels. However, the item reductions contributed to a significantly worse model fit, with measures way below what is considered acceptable in order to approve the model. Furthermore, according to Hair et al. (2006b) removal of a large number of items requires that the model is tested on a new sample. Thus, we finally decided only to remove the item DISC5, which was identified as problematic in the reliability assessment. The removal did not alter the model fit, nor did the total explained variance of the discomfort items change significantly. Still, the weak Chronbach α score of this item, combined with a low factor loading, made it clear that this question was not a good indicator of discomfort.

5.2.4 Final Measurement Model

As a consequence of the deletion of DISC5, the final measurement model counted a total of 44 observed variables. The low explained variance and factor loadings of some of the items are acknowledged. However, all the included items scored reasonably well on the Chronbach α test. The ideal .70 value of factor loadings is a high standard, and real-life data often struggle to meet this norm. Some researchers will therefore use lower thresholds in an exploratory setting, such as this study can be characterised (Raubenheimer 2004). Thus, we argue that evidence of construct validity is present, and label the measurement model fit for theory assessment.

LISREL provided us with several modification indices. These indices should be treated with care as they are not founded in theory. While such changes could aid an improved model fit and construct validity, it could also severely harm the chances of answering our research question accurately, as the tested model would diverge from the underlying theoretical specifications. All the modification indices suggested by LISREL implied an alternation of the model that made little sense in relation to the principal technology acceptance premises behind our theoretical reasoning. For that reason these indices were neglected. The final measurement model is illustrated in figure II.

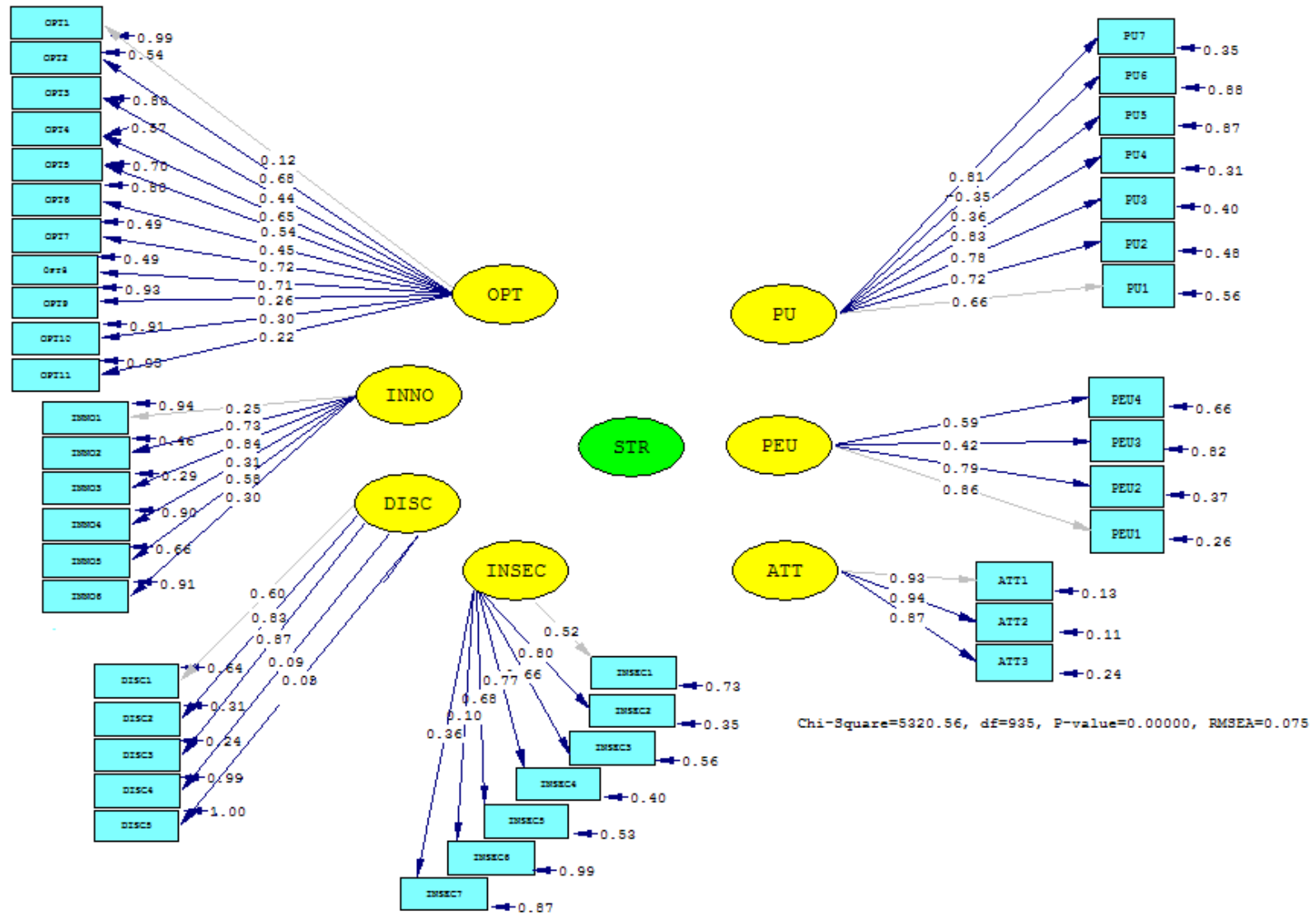


Figure II: Measurement Model

5.3 Structural Model

After finding the measurement model acceptable in terms of fit and construct validity, the model was altered based on the hypothesised relationships among the latent constructs. When specifying the relationships in LISREL the model fit remained unchanged (see table II). Consequently, we moved on to assess the parameter estimates. The theory validity increases when the parameter estimates are statistically significant and greater than zero for a positive relationship, and less than zero for a negative relationship (Hair et al. 2006b). Table IV illustrates the paths in our structural model along with their respective t-values.

	Paths	Parameter Estimates	T-Values	Sig.
Table IV. Structural model relationships	OPT - STR	0,93	3,90	S
	INNO - STR	0,60	6,65	S
	DISC - STR	-0,02	-0,60	NS
	INSEC - STR	-0,24	-5,43	S
	STR - PU	0,35	8,69	S
	STR - PEU	0,53	12,92	S
	STR - ATT	0,06	1,62	NS
	PEU - PU	0,60	13,30	S
	PEU - ATT	0,33	7,60	S
	PU - ATT	0,56	10,22	S

The relationship of social technology readiness to its drivers (optimism and innovativeness) and inhibitors (discomfort and insecurity) are represented with respectively positive and negative parameter estimates, as predicted. However, the estimate from discomfort is very close to zero and the t-value of - .60 falls below the critical t-value, making the path non-significant. Thus, this study fails to confirm discomfort as an inhibitor of social technology readiness. Conversely, optimism, innovativeness and insecurity appear to be good indicators of social technology readiness, which is illustrated by significant parameter estimates with positive values for the drivers and a negative value for the remaining inhibitor.

Shifting the focus to the proposed hypotheses, we first examine the relationship between social technology readiness and perceived ease of use, perceived usefulness and attitude towards interaction respectively. The parameter estimates between social technology readiness and perceived ease of use and perceived usefulness exhibits positive values (.35 and .53), which implies that when social technology readiness increases perceptions of usefulness and ease of use increases accordingly. Moreover, the t-values are within the critical limits, confirming the paths as significant. This supports H5 and H6. The direct relationship between

social technology readiness and attitude towards interaction shows a positive estimate, but is proven insignificant by a t-value that fails to exceed the critical level. Consequently, H1 is not supported. Concentrating on the TAM part of the model, the positive effect of perceived ease of use on perceived usefulness is confirmed. The path estimation exhibits a positive value of .06 and the t-value of 7.60 verifies the relationship as statistically significant. With this, support for H4 is found. Furthermore, the paths from perceived ease of use and perceived usefulness are both positive in the direction of attitude towards interaction (.33 and .56) and statistically significant (7.60 and 10.22). Support for H2 and H3 can therefore be claimed.

As described above, we found no support for H1, that social technology readiness is positively correlated with attitude towards interaction. On the contrary, the confirmation of H5 and H6 implies that social technology readiness is positively correlated with perceived usefulness and perceived ease of use. Further, the acceptance of H2 and H3 means that attitude towards interaction is positively correlated with perceived usefulness and ease of use. As such, it seems that perceived usefulness and ease of use mediates the relationship between social technology readiness and attitude towards interaction, as predicted in H7. Thus, the rejection of H1 and the approval of H2, H3, H5 and H6 support H7. The structural model and path estimates are illustrated in figure III below.

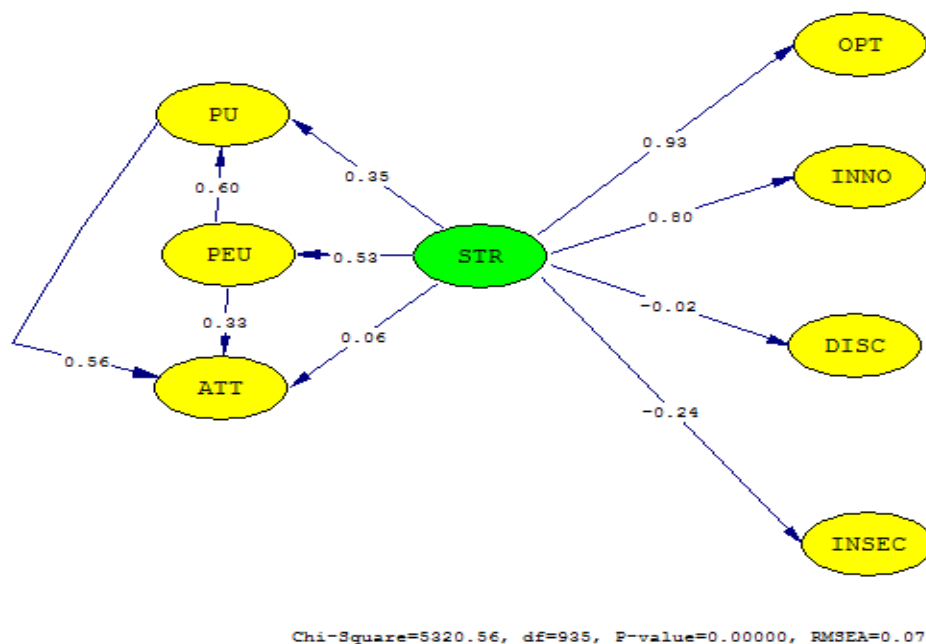


Figure III: Structural Model

5.3.1 Main Findings Summarized

The study's main findings are summarized in table V. We found support for six out of the seven hypotheses. However, the rejection of H1 was predicted by H7, which was approved. Thus, the structural model analysis supported all the theoretical predictions made in part 3.4.

Hypothesis	Result
<i>H1: Social media users' social technology readiness is positively correlated with attitude toward consumer-company interaction in social media.</i>	Not Supported (See H7)
<i>H2: Social media users' perceptions of usefulness of consumer-company interaction in social media are positively correlated with attitude toward interaction.</i>	Supported
<i>H3: Social media users' perceptions of ease of use of consumer-company interaction in social media are positively correlated with attitude toward interaction.</i>	Supported
<i>H4: Social media users' perceptions of ease of use of consumer-company interaction in social media are positively correlated with their perceptions of usefulness about it.</i>	Supported
<i>H5: Social media users' social technology readiness is positively correlated with perceptions of usefulness of consumer-company interaction in social media.</i>	Supported
<i>H6: Social media users' social technology readiness is positively correlated with perceptions of ease of use of consumer-company interaction in social media.</i>	Supported
<i>H7: Social media users' perceptions of usefulness and ease of use of consumer-company interaction in social media together completely mediate the relationship between their social technology readiness and attitude toward interaction.</i>	Supported

Table V.
Main
findings

6.0 Discussion and Conclusions

This thesis was written in response to the need for user-oriented research related to social technology services. Specifically, we intended to forecast users' propensities to interact with companies through social media. This materialized into an exploration of the role played by technology acceptance theory in relation to consumers' social media behaviour. By adapting the TRAM framework to a social media-specific setting, the study hypothesised that user' individual differences in terms of social technology readiness, derived from previous experience and knowledge, to be positively correlated with perceptions of ease of use and usefulness of consumer-company interaction in social media.

Subsequently, it was theorised that ease of use influence perceptions of usefulness, and that these two together mediate the relationship between social technology readiness and attitude towards interaction. The findings support our main theoretical predictions, implying that users with familiarity and experience are more likely to exhibit beliefs of usefulness and ease of use for consumer-company interaction, and consequently have more positive attitudes towards interaction. Thus, the psychological process underlying users' evaluations of consumer-company interaction in social media can be illustrated in the following way: STR → PEU → PU → ATT. This process is similar to psychological processes described in basic consumer behaviour theory (e.g. Bettman and Suajan 1987; Bettman 1979). It indicates that users' general readiness to use social technology stemming from previous usage may be utilized to attach perceptions of usefulness and ease of use of consumer-company interaction in social media. These findings demonstrate that conventional technology acceptance theory can be applied to the context of social media. There are obvious differences between social technology, which spawns a wide range of usage areas and opportunities, and more restricted technology systems, which traditionally have been the background of technology acceptance studies. Despite of this it seems that consumers' psychological evaluation processes confirmed through these studies can be transferred to the evaluation of differing features of social technology. This implies that research frameworks and measurement tools developed within the field of technology acceptance and information-system research can be used in order to gain an understanding of consumer behaviour in social media. As the phenomenon of social media still is largely unexplored, the appliance of such

frameworks can provide valuable insights for companies that are about to make the leap into the world of social technology.

6.1 Managerial Implications

As STR is an individual-specific and system independent construct, as opposed to the system-specific constructs of ease of use and usefulness, the adapted TRAM model of this study shifts the focus on social technology to the users. From a managerial standpoint this means that instead of focusing on the technology itself, the emphasis should be on individual traits of the customer base (e.g. prior knowledge and experience with social technology). In many cases the TAM constructs alone (i.e. ease of use, usefulness and attitude towards interaction) are not sufficient in order to identify customers that are positive towards consumer-company interaction, as it is difficult to have consumers assess services they might not have tried before. Consequently, the construct of social technology readiness can be used as a ground for segmenting markets (Lin et al. 2007). Li and Bernoff (2008) argue that many companies start out by asking the wrong questions. They look for the most popular social media tools instead of asking which tools their customers are using, and how they utilize them. In the development of a social media strategy it is crucial to know how current customers and future prospects are prepared in terms of using social technology for company interaction. Even though social media currently is hyped as “the new black” in marketing circles, there is little to gain unless the users are on board. Studies show that consumers in general do not have favourable attitudes towards advertising (e.g. Andrews 1989; Mittal 1994). Consumer-company interaction in social media can be a lot more than direct marketing, e.g. enabling customers to voice their opinions, and rapid online problem solving, but it is not given that consumers intuitively will see these aspects. If customers are not social technology ready, they are less likely to view social media as a useful and user-friendly platform for interaction. People with differing degrees of STR will prefer different channels for communication. The threshold for joining a Facebook group or following a company profile on Twitter is generally low. However, simply creating a profile on Twitter or Facebook is not sufficient in order to create true customer-value. The challenges lie in the content that is published, the relationships that are created with the users, and the ability to get people to forward and spread your message.

When companies are entering social media they suddenly find themselves in a domain, which is dominated by and belong to the consumers. In order to create an interest for themselves and facilitate interaction with their desired target-group, companies have to utilize social media in accordance with social media users' preferences. If not they will be ignored and drown in the immense information stream (Li and Bernoff 2008). Hugh Macleod, an American cartoonist and blogger, once wrote in one of his most famous drawings: *"If you talked to people the way advertising talked to people, they'd punch you in the face."* This effectively captures the essence of the new rules of marketing in social media. Companies have to understand, respect and adjust to the "netiquette" of the new media. Be respectful and helpful and participate as a person, not a marketer or seller. In turn, adapting to customers' level of social technology readiness can aid perceptions of ease of use and usefulness, adding the TAM part of the model into the equation. The findings of our study reveal the importance of making interaction in social media a useful and user-friendly experience for customers. There are many ways companies can develop the consumers' beliefs of usefulness and ease-of-use. First of all, if customers make contact through a social media channel you should reply in the same channel. Users expect rapid feedback so response needs to be quick. Managers can open for customer service and even product ordering through social channels. They can use online polls to have customers rate products, and give special discounts to social media users. If you are helpful, offer your knowledge and give customers interesting content to share, they may turn into advocates for you. Social media will not fix a bad product or service. However, it can give the company a face or a personality, help drive traffic to a website or store, and spread the word about special offers or events. Managers who consider using social media have to be able to demonstrate these advantages to get the users aboard. There are still many uncertainties associated with social media. This leads many companies to view the new technology as a threat rather than an opportunity, or a fad that soon will pass. The attention may well shift eventually, but the technology is unlikely to disappear. It seems inevitable that most companies at some point will have to face the realities and initiate a strategy for social media.

6.2 Limitations and Further Research

As this study is a pioneering effort in applying TRAM to the newly emerging context of social technologies it has several limitations. First, the discussed findings and implications are obtained from one single study, which employed a convenience sample. The sample characteristics make it evident that the respondents of this study cannot be viewed as a reflection of the population at large. We were limited by time and economic constraints, but hopefully a future research study could test the theory on a true random sample. Second, low factor loadings and explained variances for some indicators threaten the construct validity of the model. As this study was based on limited qualitative research, a future study should more closely investigate underlying indicators that could improve the ability to predict the TRAM constructs more accurately in a social media setting. There were several questions, which appear to have proved difficult to answer. Particularly the discomfort variable needs to be better specified. Some of the measures had a significant amount of respondents who chose the option “neither agree nor disagree.” In some of the cases this could be a sign of a badly phrased question, which leads respondents to become uncertain or indifferent. However, the problems surrounding the construct of discomfort can also stretch beyond the issue of poorly designed items. Several prior studies have experienced difficulties validating discomfort in empirical testing of Parasuraman’s (2000) technology readiness construct (Liljander et al. 2006; Taylor, Klebe and Webster 2002). Liljander et al. (2006) proposed a context-specific adaptation of the construct as a mean to overcome this problem. Despite the present study’s attempt to make the construct social technology-specific, similar problems were still detected. One possible explanation is that the drivers and inhibitors of technology readiness might not be directly transferable to beliefs about social technology, as assumed in this study. Perhaps a more open minded approach to what variables best explain individual differences preceding social media usage could have resulted in a more accurate measurement model. We therefore encourage future studies to prolong the qualitative process initiated by this research, to aid the development of measurement tools that can explain consumers’ behaviour in social media.

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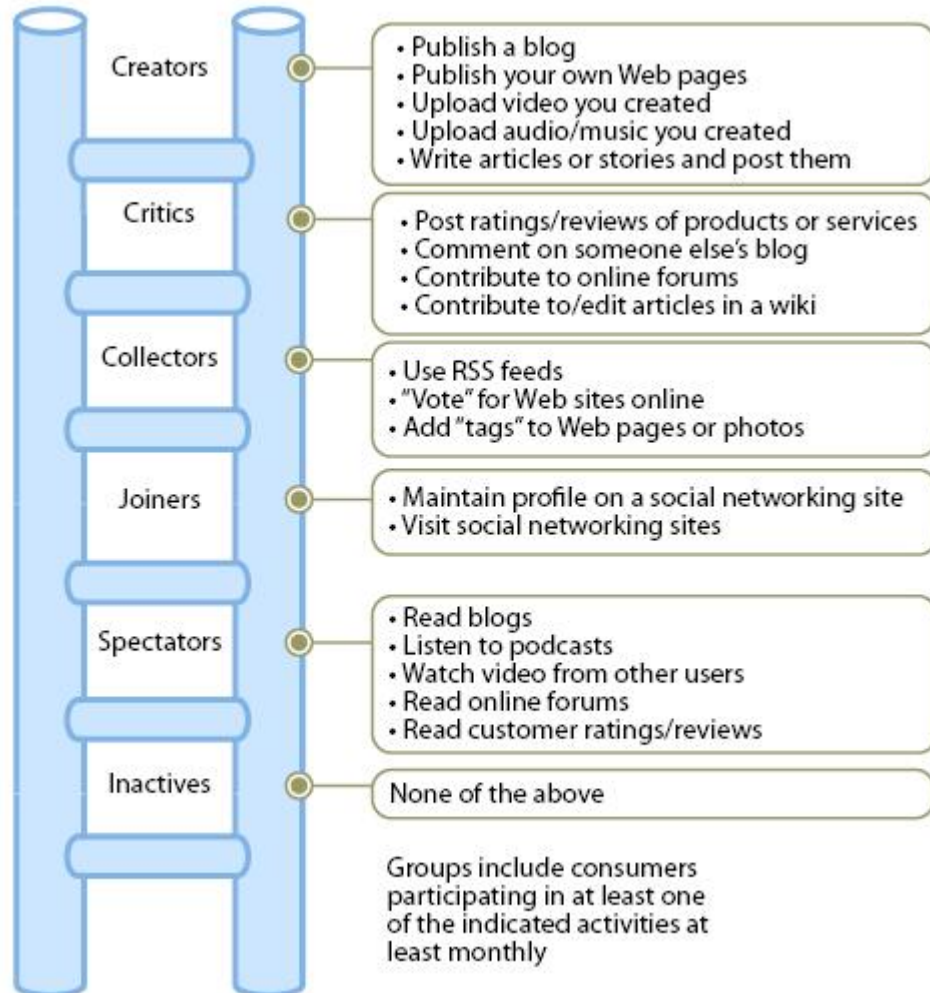
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Appendices

Appendix I - The Social Technographics Ladder



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Appendix II - Moderator Guide

Warm-up (2 min)

Thank you for participating.

I will briefly tell you about focus groups before we start.

This will be an informal conversation.

I lead the conversation towards various topics, but mostly the conversation will run as freely as possible.

You speak when you feel like it.

I may intervene if I feel that someone's opinions are not heard, or if we need to move on to another topic.

There are no "right" answers. It is only your subjective opinions that are interesting.

The purpose is to bring forth the differences and similarities in perceptions.

It is important for us to hear everyone's opinions.

Do not be afraid to disagree with each other.

It is important for us to hear different points of view.

This requires no special skills.

It is a conversation between you, so feel free to question each other if something is unclear.

However, no one can talk at the same time, as we need to take notes.

Everything from this conversation will be kept anonymous.

We record the conversation and take notes, but the recording will be deleted afterwards. → Is this OK for everyone?

Is anything unclear? Any questions?

Introduction (5 min)

The purpose of this conversation is to obtain information about the use of social media.

Social media is a broad term that includes many different channels.

We are mainly interested in channels where people can interact with companies.

→ Examples: Blogs, social networks like Facebook, Twitter which is a micro-blog and a social network, and other similar services.

We have scheduled to be finished within one and a half hours.

Let's start with a brief introduction of everyone to get acquainted. → Name, age, and what you work with or study.

General Information About Social Media Usage (30 min)

Does everyone use social media?

Which social media do you use?

How much time do you use on social media?

Why do you use social media?

→ Probe:

- Benefits
- Disadvantages
 - Spam? Information overload?
- Insecurity
 - Privacy, personal data, private conversations?
- Innovativeness
 - "New", technology, gadgets, apps
 - Tried but do not understand Twitter?

What do you wish social media could be used for?

→ Probe:

- Customer Service
- Relevant advertising
- Sales Channel

Companies' Use of Social Media (30 min)

Do you have personal experience with companies or organizations in social media? Eg. are you a member of a Facebook group or fan site for a company, follow any companies on Twitter or similar sites?

How do you see social media as a commercial channel? Advantages and disadvantages for you as a consumer.

→ Probe:

- Social media versus other channels (telephone, e-mail, personal contact - easy to use (in relation to companies)
- Usefulness of companies in social media?

Put yourself in the position of a company. Why should they be a part of social media?

Conclusion (5 min)

Any questions or anything you would like to add?

Thank you for your participation.

Appendix III - Focus Groups Reports

Focus Group 1: Report

Date: 7th of October 2009.

Time: 12.00 – 13.30.

Place: BI Norwegian School of Management, Nydalen, Oslo. Room: B5-042.

Moderator/Observer: Anders Husa/Magnus Kvale (The focus group discussion was recorded in agreement with the participants)

Participants:

The participants were recruited based on the following criteria:

- Age
- Gender
- Social Media Usage (users)

The group counted four people, four males and two females. Three of the participants were students at BI Norwegian School of Management in finance and marketing. The other three participants were working full time. One worked with sales of telecommunication-services, one was a web-director in a public department, and one worked in finance. The participants ranged between 19 and 37 year of age.

Summary of Discussion

Social Media in general: Tell me about which social media you use. Why do you use it, and for what purpose? Time spent on social media? (Moderator)

All the participants used social media in one way or another, but which social media they used, and for what purpose varied: Two of the participants defined themselves as “very active” users. They had accounts on several social media sites (Facebook, Twitter, LinkedIn), followed different blogs on a regular basis, and also had their own personal blogs. In contrast, two participants said that their use of social media was restricted to Facebook, and that they didn’t use time on other forms of social media. The remaining two had both Facebook and Twitter accounts, but said that Facebook was their main social media channel. These two also read blogs from time to time, but did not follow any on a regular basis. Facebook and Twitter was mentioned as the two biggest and most important social media channels among Norwegian users. The two participants that considered themselves as heavy users said that even though they both had Facebook accounts, they had little interest in spending much time there, and preferred to use Twitter. They grounded this in the inherent differences between Twitter and Facebook regarding usage opportunities. They both used Twitter actively in their work, looking for relevant information, and sharing opinions related to their interest of work with people from similar industries, and gave the impression that the social aspect was less important for them.

“Facebook is for old friends, Twitter is for the people I want to get in contact with now”

“I use Twitter to keep my self up to date on work related issues”

“I don’t know most of the people I have on Twitter, but we have a common interest and I use them to generate ideas for my work”

Furthermore, the heavy users emphasized how Twitter enabled them to engage in network building, which in their opinion was not possible through Facebook.

“My Twitter contacts can get me access to organizations and new environments, which I couldn’t reach otherwise”

“Facebook is private, while Twitter is way more open”

The ones who used Facebook as their only social media channel did not know much about Twitter, and were curious about how it worked and how it could be used. They only used Facebook for social reasons, connecting with friends, planning events, posting pictures etc.

“I use Facebook for fun”.

“I only use Facebook for interacting with my friends, I haven’t really thought about using it for reasons behind that”

“I can see that social media can be used for other reasons than just socializing and fun, but I haven’t taken advantage of that yet. Maybe I will do that later”

No matter if they used social media for fun or in a professional setting, or both; all participants gave the impression that they spent a lot of time on it. Two of the participants told that they were connected to social media for the majority of the day.

“I’m in front of the computer 8 -10 hours a day, and during that time I’m always logged into Facebook. I also usually log in at night to see if something has happened”.

“I’m almost always connected to one or several of my social media sites, either through the computer or through my phone”

The other participants said that they normally “checked in” a couple of times a day, whenever they found the time. Time was also a big issue when the participants were probed about advantages and disadvantages of social media use. Several said that they found social media to be time consuming and because of this they tried to restrict their use to one social media channel.

“I’m curious about Twitter, but I can’t afford to spend time to use it between school, work and my social life “

“Sometimes I get a little scared when I think about all the time I spend on Facebook”.

“I already spend so much time on Facebook that I can’t see how I will find the time to things like Twitter and blogs”.

There seemed to be a difference in opinion regarding the time-consumption between the participants who used social media for professional reasons and the ones who used it for social reasons only. The social users gave the impression of worrying more about the time issue than the others. Privacy concerns also came up as an issue concerning disadvantages of social media. The whole group seemed to agree that sharing personal information online could involve a risk. Some said that they only shared information with people they considered to be their friends, but that they worried that other people could find a way to see it. One participant said that he always did background work before trying a new social media channel.

“If I want to check out whether a new service is something for me, I try it out for a while with a fake name or alias. I don’t want electronic traces of all sorts to be visible when someone googles my name”.

All agreed that you should be careful with sharing too personal details online, regardless of the privacy settings offered by various social media channels.

How do you perceive social media as a commercial channel? Do you see any advantages or disadvantages for you as a consumer? (Moderator)

On this part the respondents revealed a lot of differing opinions. The participants that mainly used Facebook expressed scepticism.

“I fear that social media is just a new sales channel for companies”.

“I don’t want to be spammed with advertising when I use Facebook”.

The more active users and the Twitter users’ especially, seemed to have more opinions of potential advantages of company presence in social media.

“Social media has an inherent potential for offering customer service, different from conventional channels”.

“Through Twitter, customer service can be quicker and more convenient. You don’t have to wait two hours on a telephone line to get a response”.

“Social media can be an invaluable source of information for companies.”

“Potentially, interaction between companies and consumers in social media can be a win-win situation.”

However, despite their beliefs in the potential of social media as a commercial channel, these participants further stated that currently companies in general are a long way from taking advantage of the potential. Many examples of companies that used social media “wrongly” were mentioned. A common theme in the discussion was that companies used social media as a one-way communication channel, instead of engaging in dialogue with users.

“Many companies look a social media as a channel for advertising, which basically is the same as committing “social media suicide”.”

“Social media has to be used for dialogue. If not, they have nothing to offer me as a consumer”.

“Unless I can communicate with the companies, and get direct feedback, I have no interest in following them”.

At this point, the discussion started to evolve around concrete examples of social media usage. Among the companies that were mentioned as good on social media was Stormberg, the manufacturer of outdoor clothing. Telenor was also mentioned as a company that takes social media seriously. However, there seemed to be differing opinions on whether Telenor utilized social media successfully. The participants, who mainly used Facebook, did not participate much in this part of the discussion. They had little experience with company interaction, and seemed to be learning more about the phenomenon through listening to the experienced Twitter users. However, when the moderator actively involved them in the discussion, they did express a desire to have brands that they cared about to be present in social media.

“If it is a brand that I really like, I would probably follow them on Facebook”.

“Advertising and promotional stuff from companies that I’m interested in isn’t as bad as random spam, which usually is the case with internet”.

Near the end, the discussion turned into a more general conversation about the advantages and disadvantages of social media. The two participants that distinguished themselves as the most knowledgeable within the group shared their experiences with the rest, and this discussion revealed considerable usage diversifications among users of Twitter and Facebook.

Focus Group 2: Report

Date: 7th of October 2009.

Time: 18.00 – 19.30.

Place: BI Norwegian School of Management, Nydalen, Oslo. Room: B5-042.

Moderator/Observer: Anders Husa/Magnus Kvale (The focus group discussion was recorded in agreement with the participants)

Participants:

The participants were recruited based on the following criteria:

- Age
- Gender
- Social Media Usage (users)

The group counted 6 people, two females and four males. Two of the participants were students at BI Norwegian School of Management. The remaining 4 all worked fulltime in various occupations. The participants ranged between 24 and 46 years of age.

Summary of Discussion

Social Media in general: Tell me about which social media you use. Why do you use it, and for what purpose? Time spent on social media? (Moderator)

All the participants were social media users. However, the group exhibited some usage diversifications. With the exception of one person, all the participants reported that they had Facebook accounts. In addition, four people were also active on Twitter. One participant mentioned LinkedIn as her preferred social media channel. Similar to the previous group, the ones that were active on Twitter reported that they did not use their Facebook account to a great extent. Two of the participants had their own blog, and actively followed other blogs. The rest of the group read random blogs occasionally. Three people characterised themselves as active users, while the rest indicated that they spent some time in social media. Not surprisingly, the active users had Twitter as their main social media channel. The dissimilarities between Facebook and Twitter regarding social and information related usage, which was revealed in the first focus group, also materialized itself in this discussion.

“The content on Twitter is not relevant on Facebook”.

“The people on Twitter are very different from Facebook users and it is a very small overlap”.

“I don’t know most of the people I follow on Twitter, but I want to follow them, because it is interesting”.

Furthermore, the reasons for using social media were also quite different between Twitter and Facebook users. While the participant that were active in Twitter emphasised networking and professional relationships as an important factor in why they utilized social media, the ones that mainly used Facebook seemed to care more about interaction with friends and family.

“For me, social media is networking. It facilitates updated networks at any time”.

“I only use Facebook to keep in touch with people that I consider friends”.

In general, the participants that were active on Twitter reported to spend more time in social media than the rest of the group. However, from the discussion it was inferred that they regarded social media usage as an important feature of their daily life, and they were not concerned about spending too much time online. Conversely, two of the participants that mainly used Facebook, expressed a concern about how much time they spent there.

“I feel I waste a lot of time on Facebook. I could probably spend this time on more constructive activities”.

“Generally, I consider the time I spend on Facebook a waste”.

When probed about their propensities to employ social media beyond the services they already used, the participants gave quite mixed responses. The Twitter actives were generally open-minded towards trying out new social media services, but emphasised that the service had to be innovative and useful in comparison to what they currently was using. The rest of the participants seemed to be more reluctant. One said that it depended on what social networks his friends decided to adopt.

“I have no interest in using social network services where I don’t know the other users’, unless my friends already used it, I would probably not join”.

Protection of personal information appeared to be important for the group as a whole. One participant even stated that she had until recently avoided social media in fear of revealing personal information online. However, regarding their “online image” the participants varied in their level of care. Some stated they were dependent on it in their work, and as a consequence they were careful about sharing personal content like photos in social media. Others, in particular the youngest participants, did not seem to care too much about this.

“All the people I have on Facebook know me, and they know how I am, I don’t care if they see embarrassing photos or see embarrassing content on my profile.”

How do you perceive social media as a commercial channel? Do you see any advantages or disadvantages for you as a consumer? (Moderator)

The participants differed somewhat in their perception of company presence in social media. One person in particular expressed a high degree of scepticism towards companies.

“I don’t follow companies in social media. I’m just not interested”

“Companies with a social media profile are trying to sell something. For me that’s not appealing”.

Other pointed out that many companies, despite their presence in social media, do not utilize social technology like it is meant to be used.

“Many companies use their social media profiles as an extended homepage, where they post press reports. They don’t use social media to interact with their customers”.

This view is in line with statements made in the first focus group. In general, all the participants emphasised the need for dialogue in order for companies to succeed in social media. In terms of customer service, the participants shared a positive view of how this could be facilitated in social media. As an example one person used Telenor as an example of how a company can use social media for these kinds of services: Telenor is monitoring Twitter for mentions of their own name. If they see that a person has written something about Telenor, they call the person up to see if there is a problem. This explicit example was heavily debated among the participants. Some were impressed by the initiative showed by Telenor, while others viewed it as an invasion of privacy. One participant thought the strategy was exiting, but questioned why Telenor just monitored Twitter and responded by telephone, instead of being registered with a Twitter profile

Furthermore, the discussion materialized into debate on how companies can succeed in social media. Participants listed credibility, openness and humility as essential factors. One of the active Twitter users’ argued that companies have to contribute with something of interest to the consumers, in order to create commitment.

“It is easy to spot if a company have a social media profile just to have one. I usually avoid these, as they have little to offer me”.

Towards the end of the focus group, the discussion shifted to a debate on the use of social media in politics. The session was held shortly after the Norwegian election of 2009, and the politicians’ utilization of social media received considerably attention in the press. This seemed to be of particular interest in this group. However, as the topic was not specifically relevant, we have left this part out of the report.

Appendix IV – Original Questback Questionnaire

Sosiale medier

Hei,

Vi er to masterstudenter ved Handelshøyskolen BI i Oslo som skriver masteroppgave. I den forbindelse hadde det vært veldig hyggelig om du kunne sette av 10-15 min til å besvare dette spørreskjemaet. Alle svar er anonyme og vil kun bli brukt i akademisk sammenheng.

Spørsmålene omhandler din bruk av sosiale medier. Med sosiale medier mener vi her i hovedsak blogger, mikroblogger (f.eks. Twitter) og sosiale nettverk (f.eks. Facebook).

Spørreskjemaet har to deler. I første del får du spørsmål om din bruk av og holdninger til sosiale medier generelt. Del to omhandler ditt syn på kommunikasjon med bedrifter gjennom sosiale medier.

På forhånd takk for din deltakelse.

Anders Husa og Magnus Kvale

1) Din alder: *

- Under 15
- 15-19
- 20-24
- 25-29
- 30-39
- 40-49
- 50-59
- 60+

2) Kjønn: *

- Mann
 - Kvinne
-

Sosiale medier

3) Hvilke sosiale medier bruker du? (flere valg mulig) *

- Facebook
- Twitter
- LinkedIn
- Blogg (skriver egen)
- Blogg (leser andres)
- Bruker ingen sosiale medier
- Andre sosiale medier. Vennligst spesifiser:

4) Hvordan bruker du sosiale medier? *

- Kun til privat
- Kun i jobbsammenheng / studiesammenheng
- Begge deler

5) Hvor ofte bruker du vanligvis sosiale medier? *

- Svært aktivt gjennom hele dagen
 - Noen ganger, jevnlig i løpet av dagen
 - Minst 1 gang per dag
 - Noen ganger i uka
 - Minst 1 gang per uke
 - Sjeldnere
 - Aldri
-

Sosiale medier**Din tidsbruk i sosiale medier.****6) Angi i hvilken grad du er enig i følgende utsagn: ***

	Helt uenig	Ganske uenig	Litt uenig	Verken/ eller	Litt enig	Ganske enig	Helt enig
Jeg føler at jeg ikke har kontroll over tiden jeg bruker på sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg føler at tiden jeg bruker på sosiale medier går på bekostning av viktigere aktiviteter.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generelt føler jeg at sosiale medier tar for mye av min tid.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sosiale medier

Din bruk av sosiale medier.

Hvorfor er du i sosiale medier og hva bruker du dem til?

7) Angi i hvilken grad du er enig i følgende utsagn: *

	Helt uenig	Ganske uenig	Litt uenig	Verken/ eller	Litt enig	Ganske enig	Helt enig
For å holde kontakt med venner og bekjente.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fordi jeg liker å prøve ut nye kommunikasjonsverktøy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For å bygge et nettverk av verdifulle relasjoner privat.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For å bygge et nettverk av verdifulle relasjoner i jobb- eller studiesammenheng.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For å uttrykke mine meninger og bli hørt.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For å skaffe meg informasjon om ting jeg er opptatt av privat.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For å skaffe meg informasjon om ting jeg jobber med eller studerer.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For å dele erfaringer og kunnskap.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg er i sosiale medier hovedsakelig fordi alle vennene mine er der.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sosiale medier

Ditt forhold til sosiale medier.

Her ønsker vi å vite litt om hvilket forhold du og dine omgivelser har til sosiale medier.

8) Angi i hvilken grad du er enig i følgende utsagn: *

	Helt uenig	Ganske uenig	Litt uenig	Verken/ eller	Litt enig	Ganske enig	Helt enig
Jeg var blant de første i min vennekrets til å benytte sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg er alltid åpen for å prøve ut nye sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg er redd for å gå glipp av noe hvis jeg ikke bruker sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg føler at vennene mine er mindre interessert i sosiale medier enn det jeg er.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg har unngått å prøve ut nye sosiale medier fordi jeg ikke forstår hvordan de fungerer.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg har unngått å prøve ut nye sosiale medier fordi jeg klarer meg bra uten.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg har blitt fortalt at jeg er for positiv til sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fordelene med sosiale medier er grovt overvurderte.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosiale medier gjør meg mindre effektiv i mitt yrke / mine studier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generelt føler jeg at sosiale medier er vanskelige å bruke.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg blir overveldet av hvor mye unødvendig informasjon det er i sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sosiale medier

Sosiale medier og personvern.

Her ønsker vi å vite mer om ditt forhold til personvern ved bruk av sosiale medier.

9) Angi i hvilken grad du er enig i følgende utsagn: *

	Helt uenig	Ganske uenig	Litt uenig	Verken/ eller	Litt enig	Ganske enig	Helt enig
Jeg anser det ikke som trygt å gi ut personlig informasjon i sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg bekymrer meg for at informasjon jeg sender gjennom sosiale medier kan bli sett av feil personer.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg bekymrer meg for at noen mennesker jeg kommuniserer med i sosiale medier ikke er hvem de utgir seg for å være.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg er redd for at informasjon jeg deler i sosiale medier kan bli utnyttet av andre til å svindle meg.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg redd at jeg senere vil komme til å angre på informasjon jeg deler gjennom sosiale medier i dag.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jeg tenker nøye gjennom hva jeg skriver i sosiale medier for å være sikker på at jeg kan stå for det i ettertid.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Deling av informasjon i sosiale medier er mye sikrere enn kritikere gir uttrykk for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosiale medier gjør det altfor enkelt for bedrifter å overvåke folk.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sosiale medier

DEL 2

Bedrifter og merkevarers bruk av sosiale medier.

Her ønsker vi å vite hva du mener om nytten av at bedrifter og merkevarer nå i økende grad deltar i de sosiale mediene.

10) Angi i hvilken grad du er enig i følgende utsagn: *

	Helt uenig	Ganske uenig	Litt uenig	Verken/ eller	Litt enig	Ganske enig	Helt enig
Sosiale medier er en god kanal for å lære om produkter og tjenester jeg er interessert i.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosiale medier er en god kanal for å ytre min tilfredshet eller misnøye med et produkt, en tjeneste eller en bedrift.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosiale medier gjør at mine meninger kan bli hørt av bedrifter.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosiale medier er en god kanal for dialog med bedrifter.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sosiale medier er bare enda en kanal hvor bedrifter kan nedlesse meg med reklame.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
De fleste bedrifter har ikke tilstrekkelig kunnskap om hvordan sosiale medier skal brukes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generelt tror jeg at kommunikasjon med bedrifter i sosiale medier kan være nyttig for meg som forbruker.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sosiale medier

11) Angi i hvilken grad du er enig i følgende utsagn: *

	Helt uenig	Ganske uenig	Litt uenig	Verken/ eller	Litt enig	Ganske enig	Helt enig
Kommunikasjon med bedrifter i sosiale medier virker mer praktisk enn gjennom andre kommunikasjonskanaler.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kommunikasjon med bedrifter i sosiale medier virker raskere enn gjennom andre kommunikasjonskanaler.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kommunikasjon med bedrifter i sosiale medier, virker mer uformelt enn gjennom andre kommunikasjonskanaler.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Det er for mye "støy" i sosiale medier til at det er en god kanal å kommunisere med bedrifter.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sosiale medier

12) Angi i hvilken grad du er enig i følgende utsagn: *

	Helt uenig	Ganske uenig	Litt uenig	Verken/ eller	Litt enig	Ganske enig	Helt enig
Jeg ønsker å kommunisere med bedrifter som jeg er interessert i gjennom sosiale medier.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Det er sannsynlig at jeg vil bruke sosiale medier til å kommunisere med bedrifter.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Samlet sett er min holdning til kommunikasjon med bedrifter i sosiale medier positiv.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix V - Constructs and Item Measures From the Questionnaire

Construct	Measure
<i>Optimism</i>	
OPT1	To keep in touch with friends and acquaintances
OPT2	Because I like to try out new communication tools
OPT3	To build a network of valuable private relationships
OPT4	To build a network of valuable relationships in work or study context
OPT5	To express my opinions and make my voice heard
OPT6	In order to provide me information on things I am interested in privately
OPT7	In order to provide me information on things I work with or study
OPT8	To share experiences and knowledge
OPT9	I have been told that I am too positive to social media
OPT10	The benefits of social media are grossly overstated
OPT11	Social media makes me less efficient in my job / my studies
<i>Innovativeness</i>	
INNO1	I am in social media mainly because all my friends are there
INNO2	I was among the first in my circle of friends to use social media
INNO3	I am always open to trying new social media
INNO4	I am afraid to miss out on something if I do not use social media
INNO5	I feel that my friends are less interested in social media than I am
INNO6	I have avoided trying out new social media because I do not understand how they work
INNO7	I have avoided trying out new social media because I get along well without them
<i>Discomfort</i>	
DISC1	I do not feel that I have control over my time spent on social media
DISC2	I feel that the time I spend on social media goes at the expense of more important activities
DISC3	In general I feel that social media takes too much of my time
DISC4	In general I feel that social media is difficult to use
DISC5	I get overwhelmed by the amount of unnecessary information in social media
DISC6	Social media makes it too easy for companies to monitor people
<i>Insecurity</i>	
INSEC1	I do not consider it safe to give out personal information in social media.
INSEC2	I worry that information I send through social media can be seen by the wrong people
INSEC3	I worry that some people I interact with in social media are not who they claim to be
INSEC4	I am afraid that the information I share in social media can be exploited by others to defraud me
INSEC5	I am afraid that I will have regrets later on about information I share through social media today
INSEC6	I think carefully about what I write in social media, to be sure I can stand for it in retrospect
INSEC7	Sharing information in social media is much safer than critics claim
<i>Perceived Usefulness</i>	
PU1	Social media is a good channel to learn about products and services I am interested in
PU2	Social media is a good channel to voice my satisfaction or dissatisfaction with a product, service or company
PU3	Social media enables my voice to be heard by companies
PU4	Social media is a good channel for dialogue with companies
PU5	Social media is just another channel for companies to burden me with advertising
PU6	Most companies do not have sufficient knowledge about how social media should be used
PU7	In general I believe interaction with companies in social media can be useful for me as a consumer.
<i>Perceived Ease of Use</i>	
PEU1	Interacting with companies through social media seems more convenient than through other communication channels
PEU2	Interacting with companies through social media seems faster than through other communication channels
PEU3	Interacting with companies through social media seems more informal than through other communication channels
PEU4	There is too much "noise" in social media to make it a good channel for company interaction
<i>Attitude towards Interaction</i>	
ATT1	I would like to communicate with companies that I am interested in through social media
ATT2	It is likely that I will use social media to communicate with companies
ATT3	Overall, my attitude towards interaction with companies in social media is positive

Appendix VI - Descriptive Statistics

Construct	Mean	Std. Deviation	Variance	Skewness	Kurtosis
<i>Optimism</i>					
OPT1	5,70	1,491	2,224	-1,521	1,968
OPT2	5,58	1,500	2,251	-1,361	1,557
OPT3	4,77	1,594	2,541	-,593	-,309
OPT4	5,08	1,772	3,138	-,919	-,053
OPT5	4,50	1,652	2,728	-,586	-,430
OPT6	5,25	1,514	2,291	-,993	,573
OPT7	5,35	1,732	3,001	-1,116	,341
OPT8	5,45	1,408	1,984	-1,154	1,289
OPT9	2,85	1,869	3,492	,532	-,985
OPT10	3,43	1,617	2,613	,215	-,831
OPT11	2,76	1,625	2,641	,608	-,718
<i>Innovativeness</i>					
INNO1	3,21	1,766	3,118	,336	-,966
INNO2	4,96	1,821	3,315	-,806	-,356
INNO3	5,35	1,570	2,464	-1,019	,468
INNO4	3,90	1,752	3,071	-,131	-1,098
INNO5	4,41	1,663	2,766	-,450	-,622
INNO6	1,89	1,314	1,726	1,555	1,500
INNO7	3,25	1,972	3,890	,350	-1,179
<i>Discomfort</i>					
DISC1	2,82	1,811	3,280	,708	-,798
DISC2	2,84	1,695	2,875	,539	-1,007
DISC3	2,81	1,696	2,876	,610	-,820
DISC4	1,81	1,165	1,358	1,867	3,441
DISC5	4,29	1,879	3,530	-,279	-1,048
DISC6	4,08	1,516	2,299	-,217	-,538
<i>Insecurity</i>					
INSEC1	4,71	1,629	2,654	-,611	-,505
INSEC2	3,63	1,728	2,986	,054	-1,138
INSEC3	2,90	1,621	2,627	,584	-,662
INSEC4	3,21	1,616	2,613	,275	-1,025
INSEC5	3,17	1,681	2,825	,356	-1,024
INSEC6	5,66	1,463	2,139	-1,414	1,650
INSEC7	4,22	1,363	1,859	-,214	-,052
<i>Perceived Usefulness</i>					
PU1	5,14	1,611	2,594	-,892	,089
PU2	5,34	1,459	2,129	-1,043	,791
PU3	5,14	1,486	2,207	-,869	,439
PU4	4,86	1,635	2,674	-,701	-,212
PU5	3,86	1,657	2,746	,032	-,862
PU6	5,72	1,344	1,806	-1,129	,964
PU7	5,26	1,534	2,354	-1,002	,597
<i>Perceived Ease of Use</i>					
PEU1	4,63	1,578	2,489	-,524	-,421
PEU2	4,95	1,528	2,336	-,707	-,006
PEU3	5,51	1,214	1,474	-1,109	1,837
PEU4	3,88	1,601	2,563	-,028	-,942
<i>Attitude towards Interaction</i>					
ATT1	4,87	1,738	3,022	-,724	-,295
ATT2	4,99	1,753	3,073	-,778	-,289
ATT3	5,26	1,622	2,630	-1,045	,450

Appendix VII - LISREL and SPSS Syntaxes

SPSS Syntax: Covariance Matrix

```
WRITE OUTFILE = "C:\Documents and
Settings\Magnus.PC257262712217\Skrivebord\spss\questback.dat"
/ OPT1 OPT2 OPT3 OPT4 OPT5 OPT6 OPT7 OPT8 OPT9 OPT10 OPT11
INNO1 INNO2 INNO3 INNO4 INNO5 INNO6 INNO7 DISC1 DISC2 DISC3
DISC4 DISC5 DISC6 INSEC1 INSEC2 INSEC3 INSEC4 INSEC5 INSEC6
INSEC7 PU1 PU2 PU3 PU4 PU5 PU6 PU7 PEU1 PEU2 PEU3 PEU4 ATT1
ATT2 ATT3
(45F8.0).
EXECUTE .
```

LISREL Syntax: Covariance Matrix

```
DA NI=45 NO=826
RA fi='C:\Documents and
Settings\Magnus.PC257262712217\Skrivebord\spss\questback.dat'
CO ALL

LA
OPT1 OPT2 OPT3 OPT4 OPT5 OPT6 OPT7 OPT8 OPT9 OPT10 OPT11 INNO1
INNO2 INNO3 INNO4 INNO5 INNO6 INNO7 DISC1 DISC2 DISC3 DISC4
DISC5 DISC6 INSEC1 INSEC2 INSEC3 INSEC4 INSEC5 INSEC6 INSEC7
PU1 PU2 PU3 PU4 PU5 PU6 PU7 PEU1 PEU2 PEU3 PEU4 ATT1 ATT2 ATT3
OU MA=CM CM='C:\Documents and
Settings\Magnus.PC257262712217\Skrivebord\spss\questback.cov'
```

LISREL Syntax: CFA

Attitude toward consumer-company interaction - CFA

Observed Variables

```
OPT1 OPT2 OPT3 OPT4 OPT5 OPT6 OPT7 OPT8 OPT9 OPT10 OPT11 INNO1
INNO2 INNO3 INNO4 INNO5 INNO6 INNO7 DISC1 DISC2 DISC3 DISC4
```

DISC5 DISC6 INSEC1 INSEC2 INSEC3 INSEC4 INSEC5 INSEC6 INSEC7
PU1 PU2 PU3 PU4 PU5 PU6 PU7 PEU1 PEU2 PEU3 PEU4 ATT1 ATT2 ATT3
Covariance Matrix From File questback.cov
Sample Size 826

Latent Variables

OPT INNO DISC INSEC STR PU PEU ATT

Relationships

$OPT1 = 1 * OPT$

$OPT2 - OPT11 = OPT$

$INNO1 = 1 * INNO$

$INNO2 - INNO7 = INNO$

$DISC1 = 1 * DISC$

$DISC2 - DISC6 = DISC$

$INSEC1 = 1 * INSEC$

$INSEC2 - INSEC7 = INSEC$

$PU1 = 1 * PU$

$PU2 - PU7 = PU$

$PEU1 = 1 * PEU$

$PEU2 PEU3 PEU4 = PEU$

$ATT1 = 1 * ATT$

$ATT2 ATT3 = ATT$

$ATT = STR PU PEU$

$PU = STR PEU$

$PEU = STR$

$OPT = STR$

$INNO = STR$

$DISC = STR$

$INSEC = STR$

Path Diagram

End of Problem

Appendix VIII - Factor Loadings and Explained Variance (ML)

Construct	Squared multiple correlations (explained variance)	Factor loadings
<i>Optimism</i>	.87	
OPT1	.013	.12
OPT2	.46	.68
OPT3	.20	.44
OPT4	.43	.65
OPT5	.30	.54
OPT6	.20	.45
OPT7	.51	.72
OPT8	.51	.71
OPT9	.069	.26
OPT10	.088	.30
OPT11	.050	.22
 <i>Innovativeness</i>	 .64	
INNO1	.065	.25
INNO2	.54	.73
INNO3	.71	.84
INNO4	.099	.31
INNO5	.34	.58
INNO6	.089	.30
INNO7	.35	.59
 <i>Discomfort</i>	 .00062	
DISC1	.36	.60
DISC2	.69	.83
DISC3	.76	.87
DISC4	.0084	.09
DISC5	.0024	.05
DISC6	.026	.16
 <i>Insecurity</i>	 .057	
INSEC1	.27	.52
INSEC2	.65	.60
INSEC3	.44	.66
INSEC4	.60	.77
INSEC5	.47	.68
INSEC6	.011	.10
INSEC7	.13	.36
 <i>Perceived Usefulness</i>	 .70	
PU1	.44	.66
PU2	.52	.72
PU3	.60	.78
PU4	.69	.63
PU5	.13	.36
PU6	.12	.35
PU7	.65	.81
 <i>Perceived Ease of Use</i>	 .28	
PEU1	.74	.86
PEU2	.63	.79
PEU3	.18	.42
PEU4	.34	.59
 <i>Attitude towards Interaction</i>	 .78	
ATT1	.87	.93
ATT2	.89	.94
ATT3	.76	.87

Appendix IX - Factor Loadings and Explained Variance (DWLS)

Construct	Squared multiple correlations (explained variance)	Factor loadings
<i>Optimism</i>	.96	
OPT1	.86	.93
OPT2	.90	.95
OPT3	.80	.90
OPT4	.01	.11
OPT5	.01	(-).10
OPT6	.02	(-).14
OPT7	.12	(-).35
OPT8	.18	(-).42
OPT9	.03	(-).18
OPT10	.06	.25
OPT11	.32	.56
 <i>Innovativeness</i>	 .61	
INNO1	.70	.84
INNO2	.10	.31
INNO3	.33	.57
INNO4	.15	.38
INNO5	.37	.61
INNO6	.09	(-).30
INNO7	-.21	(-).46
 <i>Discomfort</i>	 .15	
DISC1	.38	.62
DISC2	.54	.73
DISC3	.58	.76
DISC4	.00	(-).07
DISC5	.34	.59
DISC6	.01	(-).12
 <i>Insecurity</i>	 .51	
INSEC1	.56	.75
INSEC2	.22	.47
INSEC3	.52	.72
INSEC4	.27	.52
INSEC5	.24	.49
INSEC6	.58	.76
INSEC7	.56	.75
 <i>Perceived Usefulness</i>	 .73	
PU1	.06	.25
PU2	.16	.40
PU3	.11	.33
PU4	.67	.82
PU5	.58	.76
PU6	.20	.45
PU7	.47	.69
 <i>Perceived Ease of Use</i>	 .65	
PEU1	.53	.73
PEU2	.60	.77
PEU3	.70	.84
PEU4	.81	.90
 <i>Attitude towards Interaction</i>	 .98	
ATT1	.17	.41
ATT2	.19	.44
ATT3	.68	.63

Appendix X – Preliminary Thesis

Assignment in;

GRA 1900

Preliminary Thesis Proposal

*“Transgression Crises – Effects on
Customer Satisfaction”*

¹Hand-in date:
15.01.2009

Campus:
BI Oslo

Program:
Master of Science in Marketing

1.0 Introduction

This paper is a research proposal to the master thesis we are going to write this semester. It is important to emphasize that the proposal is preliminary, and there is reason to expect that changes and/ or specifications will be made between this overview and the actual thesis. The paper consists of a short introduction to the topic of interests, a presentation of potential research questions and hypothesis, and a literature review of previous research, which make up the foundation that our thesis is built on. We also include a paragraph about methodology. At this point the methodology procedures we are going to use still are a bit unclear. Consequently we have focused less on this part, and have found it sufficient to include some notes on how we anticipate the methodology part to be at this time. In the end we try to assess the strength and weaknesses with our research approach.

1.1 Topic of Interest

The final thesis can be viewed as a contribution to the already immense research body that exists on the field of customer satisfaction. More specifically the objective is to investigate the effect of company crises and/or acts of transgressions on customer satisfaction, and to track the potential effects over time. Therefore the main theoretical topics of the dissertation are customer satisfaction and acts of transgressions. Additionally we will also look at possible moderators between the two constructs. In particular we expect to look at major transgressions at the company level; events where a company gets massive media attention and a consequent blow to its reputation. If such acts of transgression affect customer satisfaction, we expect to see shifts in the yearly satisfaction scores as measured by the Norwegian Customer Satisfaction Barometer (NCSB). We do not necessarily expect to find a strong or consistent negative effect of such crises. Several moderators can affect both the strength and direction of customer satisfaction. Possible moderators which we will discuss in the following literature review are service recovery, corporate image, product category involvement and brand personality. From the start our research was intended to be based on secondary data from the NCSB and the media database Atekst, and focus on company level crisis. However, as several of the possible mediators between satisfaction and transgression require data about individual cases and product level crisis, we chose to have an “open mind” at this point, and include both

product-level crisis and moderators that have to be measured at a personal level in this proposal. We do this to not block any options at this stage, as we are yet to make all the final decisions regarding the final thesis.

1.2 Importance of Topic

During the last two decades, in the wake of the quality revolution (Rust et al. 1995) and the relationship paradigm (Grönroos 1994) customer satisfaction has grown to be an important metric in the marketing literature. Satisfaction management has now become a strategic necessity for most firms (Mittal and Kamakura 2001). A vast amount of research is made on the relationship between satisfaction and profitability, and even though the findings vary in terms of strength and generalizability, it is safe to say that customer satisfaction, if managed effectively, contributes to economic performance. *“Firms that actually achieve high customer satisfaction also enjoy superior economic returns”* (Anderson et al. 1994).

Even though customer satisfaction has been the subject of extensive research, the literature is weak if not non existing regarding the relationship between satisfaction and acts of transgressions. Some contributions have investigated the effect of product-level crisis on constructs like brand personality (Aaker 2004), brand equity (Dawar and Pillutla 2000) and relationship type (Mattila 2001). Moreover, several studies examines the effect of service recovery on satisfaction and relationship-strength in cases of service failures on a product level (e.g. Zeithaml et al. 1996; Andreassen 2001; Smith, Bolton and Wagner 1999). However, to our knowledge, no one has ever looked at the effect of transgressions on customer satisfaction as an isolated construct (dependent variable).

Acts of transgression can be defining in a brand's relationship with its customers. Relationships, which have taken years to build, can in short time be shattered, often with small chances of recovery. This is especially true for reputation damaging crises. Examples of major crises, which constitute violations of corporate social responsibility, are embezzlement, corruption, and exploitation of child labour in developing countries. These types of transgressions affect many consumers, both current customers and future prospects. Product failures and service failures can also affect many people, but they are usually at an individual level. However, individual product or service failures can escalate into more

serious crises, for example if the customer contacts the media to support their case. Certain TV-programs specialize in these types of stories. Examples from Norway are “TV2 hjelper deg” (TV2 2008) and “Forbrukerinspektørene” (NRK 2008). Recent examples of Norwegian companies which have experienced product and/ or service failures are Gilde, Tine and SAS. All these companies suffered short-term losses in terms of negative brand effects, however, the long term effects turned out to make a relatively small impact because of various company specific reasons (Samuelsen and Olsen, 2006). Although these companies recovered quickly, they act as examples of the actuality of transgression in today’s business world, and how media attention can increase the consequences. Ragnhild Silkoset and Christian Unsgaard from BI Norwegian School of Management did a study on crisis management amongst 202 Norwegian companies, as many as 25 % of the companies reported that they had experienced one or more transgressions during the last two years (Forskning.no 2006).

The linkage between customer satisfaction and transgressions is also interesting in view of the recent financial crisis. NCSB was founded on the basis of the American Customer Satisfaction Index (ACSI). The United States was hit harder than most countries during the crisis. Head of the ACSI project, Claes Fornell comments on the result from the third quarter measurements in 2008, and the impact of this crisis: *“With respect to statistical forecasting of consumer spending, all bets are off at this time. There is no meaningful pattern of past data to statistically forecast in an environment of great uncertainty and market volatility”*. Moreover the third quarter measurements suggest that when consumers have less of both cash and credit, aggregate spending has less to do with customer satisfaction. However, at the micro level, customer satisfaction is more relevant. Fornell explains; *“For individual companies, now is the time to hold on to present customers. Making sure that they are satisfied usually provides some degree of insulation from competitive challenges and price wars, as the challenger must be able to provide better value than the incumbent. The greater the satisfaction among the incumbent customers, the higher the bar is set for the challenger”* (ASCI 2008). This is in line with research by Anderson et al. (1994) who found that reputation, which is positively influenced by customer evaluations, can provide insulation from short-term shocks in the environment.

1.3 An Empirical Field Study

The article “*When Good Brands Do Bad*” by Aaker, Fournier and Brasel (2004) is of particular interest of comparison to our research. Aaker et al. (2004) performed a longitudinal field experiment at a university, where they invited a relatively small number of students to participate. The students were lead to believe they were taking part in the trial period of a new online photographic company, which core offer was to develop customers’ pictures and upload them to a website which served as a net album. The goal was for relationships to be formed between the trial customers and the online photography brand.

Relationship strength was monitored for two different brand personalities; sincere and exciting, and with transgression manipulations; service failure, both with and without recovery. Indicators of relationship strength were assumed to be commitment, intimacy, satisfaction and self-connection. Aaker et al. were mainly interested to find out if the transgressions affected the relationship strength, and whether brand personality modified the effect in any way. Their assumption was that the response to the transgression, and not the transgression itself, was of critical importance to the relationship quality and course.

There are some obvious weaknesses with this study. First of all, it is unrealistic to believe that you can establish proper relationships between customers and a brand within just a few weeks – especially an online brand which is rather impersonal in the first place. Second, the websites looked unprofessional and homemade. This further complicates the establishing of a relationship since the website was the single source of communication between the brand and the customers. Finally, two different websites were made which supposedly reflected different personalities for the same brand. However, the actual differences between them were minor (e.g. sitting dog versus leaping dog) and to some degree exaggerated in form of supposed “cool talk” to imitate an exciting personality, and more down-to-earth and polite talk to appear as a sincere personality.

We will elaborate on the findings from this study in the following literature review. The reason why we chose to present it at this point is the resemblance to our own topic of interest, and in that sense it works as an illustration of previous approaches to solve the problem we want to investigate. However, in contrast to Aaker et al. (2004), who constructed relationships between customers and a made-up brand, manipulated acts of transgressions for some of the participants and measured the variations in effects on satisfaction based on this, we will look at

actual relationships and the effects of actual transgression on satisfaction scores.

1.4 Research Questions

Based on the discussion above, and the following literature review, we have developed some preliminary research questions. These questions are not final, and will most likely be the subject of change when the thesis becomes more specified. However, at this point they work as rough guidelines for our future progress.

- (1) *Is transgression crises correlated with negative or positive shifts in customer satisfaction?*
- (2) *Are eventual shifts in customer satisfaction scores correlated with transgression crises enduring, or temporary?*
- (3) *What characterizes the brands that are highly (barely) affected by transgression crises, in terms of big (small) shifts in customer satisfaction scores?*
- (4) *What characterizes the brands that are positively affected by transgression crises, in terms of positive shifts in customer satisfaction scores?*

We are yet to decide which moderators between customer satisfaction and transgression to include in the study. Therefore we expect to develop additional research questions.

2.0 Literature Review

The literature review will first and foremost focus on the two main construct of our topic of interests; Customer satisfaction and acts of transgression. However simultaneously we have tried to identify possible mediators between the two.

2.1 Customer Satisfaction

2.1.1 What is Customer Satisfaction?

Johnson, Anderson and Fornell (1995) argue that two different conceptualizations of satisfaction exist in the marketing literature; transaction-specific satisfaction and cumulative satisfaction. Transaction-specific satisfaction is an individual and immediate post-purchase measure or evaluation of a particular product or service experience, and dominated the field up through the early 1990s (Olsen and Johnson 2003; Johnson et al. 2001). Cumulative satisfaction is a more abstract construct, which describes customers' total and overall consumption experience with a product or service to date (Johnson and Fornell 1991). During the last decade, following the evolution of the relationship perspective (Grönroos 1994), service and satisfaction research has moved most of its attention to the latter conceptualization (Olsen and Johnson 2003; Johnson et al. 2001; Mittal and Kakamura 2001). The transaction specific measures have several advantages. It can be used to capture customer reactions and judgements to a product or service provider on a given time or over a given period (Olsen and Johnson 2003; Oliver 1997). Another advantage is that it allows companies to track performance changes made from internal changes and/or quality improvements (Olsen and Johnson 2003). However, the transaction-specific view on satisfaction fails to include the relationship between brand and consumers and the multiple experiences consumers have. Since consumers tend to make repurchase assessments on the ground of their purchase and consumption experience up to date, and not a singular transaction or episode (Johnson et al 2001), the cumulative conceptualization is better able to predict successive behaviours and economic performance (Johnson, Anderson and Fornell 1995). *“Whereas transaction specific satisfaction may provide specific diagnostic information about a particular product or service encounter, cumulative satisfaction is a more fundamental indicator of the firm’s past, current, and future performance”* (Anderson et al. 1994). The numerous national and international customer

satisfaction barometers which have been introduced in the last decade are therefore built on the cumulative view (Johnson et al. 2001). Of the same reason this study will focus on cumulative satisfaction. We define cumulative satisfaction according to Johnson and Fornell (1990) as “*a customer’s overall evaluation of the performance of an offering to date*” (Gustafson et al. 2005).

Treating satisfaction as an overall evaluation of the consumption experiences has certain implications (Johnson et al. 2001). If satisfaction is an overall assessment of performance to date, more recent quality is inevitably an antecedent to satisfaction; hence quality is a driver of satisfaction (Johnson, Anderson and Fornell 1995; Johnson et al. 2001). Further the cumulative view determines how to treat measures of expectancy-disconfirmation (perceived performance versus expectations). When tracking a given transaction or service encounter, disconfirmation is a valid antecedent to satisfaction (Oliver 1980; Johnson et al. 2001). However, using the cumulative view, expectancy-disconfirmation is just one of several probable benchmarks consumers may use to assess the overall experience. For instance the customers can weigh their experiences up against competing products, category norms and personal values, suggesting that cumulative satisfaction is a latent construct (Johnson et al 2001). As a consequence the different national customer satisfaction models operationalize satisfaction by three survey measures; overall satisfaction, expectancy-disconfirmation, and performance versus and ideal product or service in the category (Johnson et al. 2001). These measures will be more thoroughly discussed later in the paper.

2.1.2 Why is Customer Satisfaction an Important Metric?

Customer satisfaction has been a central element in the marketing literature for a long period of time, and during the last two decades customer satisfaction management has become as a strategic necessity for most firms (Mittal and Kamakura 2001). The cumulative satisfaction directly affects customer loyalty and subsequent profitability, and “*serves as a common denominator for describing differences across firms and industries*” (Johnson et al. 1995: 699). Other researchers also find customers satisfaction to be an important antecedent or predictor of future business performance (Morgan and Rego 2006) and shareholder value (Anderson, Fornell and Mazvancheryl 2004; Fornell, Mithas Morgeson and Krishnan 2006). Further, Fornell et al. (2006) find that satisfied

customers are economic assets, which not only are highly profitable, but also represent low stock market risk. Due to the many positive impacts of customer satisfaction; e.g. it improves retention, word of mouth, and future revenues, and reduce customer complaints, price elasticity, customer defection and employee turnover, it seems logical to believe that these effects eventually will affect valuation and stock price of a company as well. Morgan and Rego (2006) find average customer satisfaction scores to be the most accurate predictor of future business performance, out of a variety of widely advocated customer feedback metrics. Keiningham, Cooil, Andreassen and Aksoy (2007) also find some *support* for this in their comparison of the net promoter metric with the American Customer Satisfaction Index (ACSI).

Further an increase in customer satisfaction should boost the overall reputation of the firm. An enhanced reputation can help the firm in a number of ways; e.g. establishing and maintaining relationships, introducing new products or services etc (Anderson et al. 1994).

2.1.3 Antecedents to Customer Satisfaction

Disconfirmation of Expectations

There exists a comprehensive body of research on the antecedents to customer satisfaction. Usually the satisfaction construct is explained by one or more of the following antecedents: performance, expectation and disconfirmation (Johnson et al. 1995; Bolton and Lemon 1999). *Performance* is “customer’s perceived level of product quality relative to the price they pay” (Johnson et al. 1995:699). The price represents not only the actual price paid, but also any other costs like time and effort, usage cost and maintenance costs. *Expectations* are based on customers’ existing attitudes and beliefs about a firm’s ability to provide future performance (Johnson et al. 1995), and are in this sense aligned with satisfaction as a cumulative construct (Olsen and Johnson 2003; Johnson et al. 2001; Mittal and Kakamura 2001). *Disconfirmation* can be both positive and negative. Satisfaction is expected to increase with performance and decrease with expectations; hence negative disconfirmation is what happens when expectations exceed performance. As such we can say that disconfirmation shapes both perceived performance and experience (Johnson et al. 1996; Oliver 1980).

Perceived Equity

In addition to the “traditional” expectancy –disconfirmation paradigm, equity theory has been another field of particular interest regarding satisfaction antecedents; *“To understand customer satisfaction better, managers must survey customers about both disconfirmation of expectations and perceptions of justice”* (Smith, Bolton and Wagner 1999). Equity is the customer’s assessment of what is “fair” or “right” when comparing the outcome of the relationship to the inputs (Bolton and Lemon 1999; Olsen and Johnson 2003). While disconfirmation is the result of comparing projecting expectations to performance, perceived equity is the result of comparing normative standards to performance (Andreassen 2000). Bolton and Lemon (1999) introduced the concept of payment equity (customer’s changing evaluation of the fairness of the level of economic benefits derives from usage in relation to the level of economic cost) to explain how customer’s satisfaction evaluations and service usage levels vary over time. They found a strong relation between customer’s assessments of payment equity and satisfaction. Olsen and Johnson (2003) brought the equity concept a bit further, modeling the relationship between equity, satisfaction and loyalty in relation to both the transaction-specific and cumulative view. They found that whereas equity is a key driver of transaction-specific satisfaction, it is more of a postsatisfaction assessment when modeling cumulative satisfaction.

Corporate Image

With the development of various national satisfaction barometers and indices, customer satisfaction has taken on a newfound national and international importance (Fornell 1992; Fornell 1996; Johnson et al. 2001). This research has contributed to a continuous improvement of the models and measures used to quantify customer satisfaction and related constructs (Johnson et al. 2001). As a consequence the “traditional” antecedents of satisfactions have been the centre of attention in a vast amount of research, and several publications have proposed changes to the expectancy- disconfirmation theory. Johnson et al. (2001) suggest several modifications to current satisfaction measurement principles in their article “The Evolution and Future of National Customer Satisfaction Index models” and these modifications are now a part of the Norwegian Customer Satisfaction barometer (NCSB). One of the proposed changes made by Johnson et al. (2001) is especially relevant to our research, modeling the relationship between

transgression and satisfaction; namely the replacement of customer expectations as an antecedent with corporate image as a consequence of satisfaction. Corporate image can be defined as “*a filter which influences the perception of the operation of the company*”, and has long been recognized as an important factor in the overall evaluation of the service and the company (Grönroos 1984; Andreassen and Lindestad 1997). Through two studies investigating the impact of corporate image on customer intent and/or loyalty Andreassen and Lindestad (1997, 1998) found corporate image to affect perceptions of quality performance as well as satisfaction and loyalty. Johnson et al. (2001) elaborates on the relationship between corporate image and loyalty, and propose that corporate image should replace the traditional expectations constructs, and that it should be modeled as an outcome rather than a driver of satisfaction. They argue that when gathering customer satisfaction data pre-purchase expectations are collected post purchase, or at the same time as satisfaction is assessed, and what is being measured is really a customer’s perception of the company’s or brand’s corporate image. Further, this corporate image will have been affected by the customer’s more recent consumption experiences, or customer satisfaction. “*The effect of satisfaction on corporate image reflects both the degree to which customer’s purchase and consumption experiences enhance a product’s or service provider’s corporate image and the consistency of customers’ experiences over time*” (Johnson et al. 2001). This relationship between image and satisfaction is interesting seen in relation to acts of transgressions. Anderson et al. (1994) found that reputation, which is a big component of overall corporate image (Johnson et al. 2001), can provide a halo effect for the firm that positively influence customer evaluations “*providing insulation from short-term shocks in the environment*”. Taking this view corporate image might be expected to function as a moderator between satisfaction and transgressions, as firms with an overall positive image among its customers, may be better positioned to face a crisis situation.

Service Recovery

Previously Hirschman’s (1970) exit-voice theory was treated as the originator to the consequences of satisfaction (Zeithaml et al. 1996: Johnson et al.2001). This theory illustrate situations where consumers’ are dissatisfied with a product or/and a service provider. The company or brand will then experience one of two outcomes; exit or voice. The consumer either exits, or stops buying from the

company, or voice their dissatisfaction to the company in order to gain compensation (Hirschman 1970; Johnson et al. 2001). However, as the field of complaint management and recovery systems has attracted more interest in recent years, the exit-voice theory has lost some of its actuality (Zeithaml et al. 1996; Johnson et al. 2001). During the last decade researchers have started to realize the potential of mechanisms like service recovery and complaint management as means for increasing satisfaction (Smith, Bolton and Wagner 1999; Andreassen 2000; Zeithaml et al. 1996). In other words; service recovery can be used as an offensive weapon to increase satisfaction, and not only as damage control. Of this reason complaint handling and/or service recovery should be a driver and not a consequence of satisfaction (Johnson et al. 2001). “Service companies must become gymnasts, able to regain their balance instantly after a slipup and continue their routines. Such grace is earned by focusing on the goal of customer satisfaction, adopting a customer-focused attitude, and cultivating the special skills necessary to recovery.” (Hart, Heskett, and Sasser 1990).

Zeithaml, Bitner and Gremler (2006: 214) define a service recovery as “*the actions taken by an organization in response to a service failure*”. Intuitively one would assume that any act of transgression would have a purely negative impact on the relationship between a brand and a customer, and thus overall satisfaction. After all, as the definition suggests, they represent violations of relationship rules. However, while such transgressions initially may be very negative and damaging for companies, the final effect strongly depends on how the companies react and attempt to correct and recover from their mistakes. In fact, customers who become victims of a transgression, but where the company makes a service recovery, have found to be more satisfied than before the crisis. Zeithaml et al. (2006) found that efforts to solve consumer problems had strong impacts on critical relationship variables; among other satisfaction. The reason behind this view seems to be that a service failure gives the company a possibility to demonstrate its dedication to customer service through excellent recovery efforts (Zeithaml et al. 1996). This service-recovery paradox shows the possible contradicting effects a transgression can have. Conversely, there also exists empirical evidence suggesting that service problems may weaken the relationship between the customer and the company, even when service recovery is dealt with successfully (Zeithaml et al. 1996; Andreassen 2001). For instance Andreassen (2001) argues that efforts of service recovery cannot compensate for poor service

delivery, and consumer brand perceptions as well as future repurchase intentions are bound to be lower than they would have been without the occurrence of the transgression.

As illustrated above the impact of service recovery on customer satisfaction and intentions is a debated topic. Nevertheless, in relation to our research, the role of service recovery as a mediator on the effect of transgressions on customer satisfaction is of great interests. A potential problem however, is that most of the research on service recovery is done on service failures on the individual level, e.g. product-harm crisis, service process failures etc. When it comes to transgressions beyond core service failures and product-harm crisis existing literature is weak, and the effect and procedures of company problem solving and recovery is even more theoretically blurring.

Product Category Involvement

Involvement is often used in the marketing literature when explaining consumer decisions making process and consumer behavior (Zaichkowsky 1985; Warrington and Shim 2000).

2.2 Satisfaction, Loyalty and Retention

Oliver (1997) defines loyalty as “a deeply held commitment to rebuy or repatronise a preferred product or service in the future”. Satisfaction is commonly recognized as a main driver of consumer loyalty and behaviour (Mittal and Kamakura 2001; Gustavsson, Johnson and Roos 2005). However, the effect of satisfaction on loyalty is not always straightforward, and many firms have problems establishing a link between satisfaction ratings and repurchase intentions (Mittal and Kamakura 2001). It is evident that additional antecedents are required in order to fully explain loyalty and repurchase intentions (Olsen, 2007). We have already elaborated in the above section on how Johnson et al. (2001) proposed corporate image to be an outcome rather than a driver of satisfaction. They further state, in line with previous research (Andreassen and Lindestad 1998 a b), that corporate image also should have direct effect on loyalty. Johnson et al. (2001) also propose to use another mediator, which might keep a customer loyal even when satisfaction and/corporate image is low; namely a relationship commitment construct. They distinguish between affective and calculative commitment, where the affective part is emotional and the calculative

is rational. Whereas affective commitment can be a psychological barrier to switching, calculative commitment includes more rational constructs like switching costs (Johnson et al. 2001). Other relevant contributions on the relationship between satisfaction and loyalty is Mittal and Kamakura (2001) and Fournier and Mick (1999). Mittal and Kamakura (2001) argue that satisfaction score and their linkages to repurchase intention may vary on the basis of customer characteristics, like personal threshold levels. Fournier and Mick (1999) introduce the concept of social norms as a mediator. They found that even though customers personally are satisfied with a product, brand or service and want to repurchase, they might not act on their desire knowing that their social surroundings (e.g. partner, children etc.) will not like it.

Involvement is often used in the marketing literature when explaining consumer decisions making process and consumer behavior (Zaichkowsky 1985; Warrington and Shim 2000), and is another possible mediator between satisfaction and loyalty (Olsen 2007). Today it is taken for granted that consumers use more time and resources on some product evaluations, while others is given less, if anything (Bolting 1988). As a result marketers now distinguish between low involvement customers and high involvement customers. Several previous research studies focused on involvement as dependent on product interests, meaning that it was possible to categorize products and services as either high or low involvement (Bolting). However, most of the research concluded that it made more sense to treat involvement as an individual consumer trait (Zaichkowsky 1985). For this reason involvement can be defined as *“a person’s perceived relevance of the object based on inherent needs, values and interest”* (Zaichkowsky 1985:342). Research has shown that high involvement customers probably will be more likely to develop long-term relationships with products and brands (Arnould et al. 2004; Schiffman and Kanuk 2007). Moreover Arnould et al. 2004 found that high involvement customers usually report higher satisfaction and less negative disconfirmation with products they acquire. In our original approach to this research proposal, we intended product category to be a suitable mediator. However, viewing involvement as a personal construct means that it is difficult to measure the required data by using only secondary information on company-level. We will address this problem later.

These research contributions illustrate that satisfaction is not the only important driver of loyalty. Related to our research it will be interesting to

compare satisfaction and loyalty scores in the view of the possible mediators discussed above.

2.3 Acts of Transgression

Metts (1994) defines transgression as a violation of the implicit or explicit rules guiding relationship performance and evaluation. Some examples of typical acts of transgression in brand relationships are product failures, service failures, and reputation damaging crises. Generally we can distinguish between two subcategories of brand transgressions; product- and service related transgressions, and corporate related transgressions. The latter include major reputation damaging crises and violations of corporate social responsibility.

Research on acts of transgression is somewhat limited. The empirical study by Aaker et al. (2004) is an exception; however, they did not study actual established relationships between customers of real brands. Instead they had to construct a brand, build relationships and manipulate acts of transgressions to measure what they wanted to find out. Thus, little is still known today of the effects of brand transgressions on brand relationships.

2.3.1 Effects of Transgression Acts

Transgression stands as the hallmark of the relationship, representing perhaps the most significant event in the relationship history (Aaker et al. 2004). Aaker et al. (2004) argue that the true status of a relationship is evident only under conditions of risk and peril (Reis and Klee, 1996). Further, they claim that how companies deal with negative threats to a relationship may be more important than positive relationship features. We have already discussed the difference in opinions among researchers regarding “the service paradox”. However, in the aftermath of a transgression act it is beyond doubt that the response actions taken by the firm one way or another will affect the final outcome.

Van Heerde, Helsen and Dekimpe (2007) argue that product-harm crises represent the worst nightmares for any firms. They list several possible effects of acts of transgressions: (1) loss in baseline sales, (2) reduced effectiveness of the firm’s own marketing instruments, (3) customers increase sensitivity to rival firms' marketing-mix activities, and (4) a decreased cross impact of its marketing-mix instruments on the sales of competing, unaffected brands. Chung and Beverland (2006) found that consumers adopted various coping strategies when

re-evaluating the brand relationship after acts of transgressions: (1) service recovery, (2) re-evaluations of the brand's trustworthiness, (3) apportioning blame, and (4) reinterpretations of the brand into stereotypes. As a result, numerous outcomes were revealed: (a) strengthened relationship, (b) renegotiated relationship, (c) forced stay, (d) exit, (e) avoidance, (f) revenge, and (g) loss of faith. This shows that the effects of transgressions are varying, and most likely depend on multiple moderators.

2.4 Possible moderators between satisfaction and transgression

We have already discussed service recovery, corporate image and product category involvement as possible moderators. In the following part we will address a few more constructs that are likely to have a mediating effect between transgressions and satisfaction. As a consequence of the lack of research in transgressions acts, there exists only limited research on possible moderators as well.

Brand Characteristics

An interesting question is whether brand characteristics can be moderators of the effects of transgression acts. Companies that have a strong brand, with a high satisfaction score may have more to lose than lesser brands. "The bigger they are, the harder they fall" is a well-known idiom, but can it be true for brands as well? One could also argue for an opposite effect; since strong brands are likely to be more solid and enduring they may have an easier time recovering from major setbacks in reputation.

Aaker et al. (2004) examined how brand personality acted as a moderator of the impact a transgression acts had on relationship strength. Their main finding was that brands characterized by a sincere personality suffered bigger blows to the relationship strength, than exciting brands did. However, the difference was not very big, and as we have argued, it is unclear how realistic it is that they managed to establish different brand personalities to begin with.

Relationship Type

Aaker et al. (2004) argue that transgressions are important opportunities to learn more about the qualities of the relationship partner. The relationship strength will

increase as customers interact more and more with the company; and at the same time the likelihood of transgression will increase the more frequent these interactions occur (Aaker et al. 2004). Transgressions are practically inevitability in long-term relationships, yet, customers do not expect failures in their service interaction, and adopt a no-transgression scenario as their operative reference point (Smith, Bolton and Wagner 1999).

Mattila (2001) examines the impact of relationship type, including true service relationship, pseudorelationship, and service encounter, on customer loyalty in a context of service failures. She finds that consumers in close relationships with marketers are more willing to forgive marketer transgressions.

Dawar and Pillutla (2000) tested how product-harm crises impacted brand equity, and found that the effect of transgressions varied with the level of established expatiations customers had to the brand. Positive expectations act as a form of insurance for firms, against the impacts and effects of crises. Stronger relationships are characterized by more trust and stability, and consequently more tolerance for mistakes.

2.5 Research Model and Hypotheses

From the literature review it is easy to see that there exists several constructs in the marketing literature that might function as mediators between transgressions and satisfaction. Depending on our final research design, some mediators will exclude themselves. For instance if we chose to focus on corporate level crisis and only use secondary data, it will be difficult to measure the impact of relationship type and product category involvement, which are constructs that has to be measured at an individual level. We will elaborate more on potential problems regarding this later. However, as we are yet to make de final decision concerning type of crisis and choice of moderators, we are at this stage just “playing around” with possible hypothesis based on the different moderators discussed in the previous section.

H₁: Transgression crises increase the chance of a negative shift in customer satisfaction.

H₂: Companies with higher initial customer satisfaction will experience smaller shifts in satisfaction, when exposed to transgression crises.

H₃: Companies characterised by close relationships to their customers, will experience smaller shifts in satisfaction, when exposed to transgression crises.

H₄: Companies with quick recovery responses to transgression crises will experience smaller shifts in satisfaction.

3.0 Methodology

The methodology will be a time series analysis of satisfaction shifts for a selection of Norwegian companies. The objective is to identify whether transgressions, particularly in form of reputation damaging crises, influence such shifts. The analysis will be based on secondary data from NCSB and the media-database Atekst. The research will mainly be quantitative; although there is a possibility of combining this with a qualitative part if we choose to do new data gathering as well, e.g. to find out more about various moderators and their effects on acts of transgression.

Which acts of transgressions, and what companies that will be chosen for the analysis, is highly dependent on the information available in the media database. However, to test the hypotheses we need some companies that have relatively low customer satisfaction scores, and some that have relatively high scores. To reduce the uncertainty related to external explanation factors it would be ideal to measure customer satisfaction for companies within the same industry rather than across industry.

As for time sampling, it seems natural to compare satisfactions scores ranging from the year previous of the transgression, up to one year after the transgression. Hence we will operate with year $t-1$, t and $t+1$.

3.1 NCSB and Atekst

NCSB is a research program, which is carried out by BI every year to collect data among Norwegian households. The objective is to become Norwegian company's number one measure of customer satisfaction. The selection of companies is based on where households spend their money. However, it is just the largest companies in each business sector that are evaluated. NCSB is built on a conceptual model where price, materiel quality, reaction skill and personal treatment are evaluated with the goal to find the customers' satisfaction (NSCB 2008). A lot of the discussion in the literature review regarding antecedents to customer satisfaction is based on the theory behind the NSCB.

Atekst is a Norwegian media corporation that offers searches in news archives, analyses and media observations. The database covers twenty Norwegian newspapers (Atekst 2008). We will use this database as our main source of information about transgression crises.

3.2 Content Analysis

Content analysis is a methodology used to study the content of communication. The core question in this methodology is: Who says what, to whom, why, to what extent and with what effect? This form of analysis is often used when analysing or evaluating the media. The goal is to systemize the information into different categories, to be able to categorize it and get a quick overview of large amounts of data.

4.0 Strengths and Weaknesses

A clear advantage with this type of research, as opposed to the method Aaker et al. (2004) used is that we look at actual relationships and actual transgressions. There is no need to create fake relationships, because we look at actual companies, their satisfaction scores measured by NCSB, and the various acts of transgression in form of reputation damaging crisis which are reflected in the media. The companies that are included in the NCSB surveys are without exception well established companies in the Norwegian market. This implies that most customers have developed some sort of relationships with them over the years.

However, there are also some weaknesses with this method. First of all we have less control of the environment than Aaker et al. (2004) had when they constructed a company. As we are just observing historic data, we cannot moderate the transgression acts in any way, nor can we moderate the service recovery or other corrective actions the companies took. Although, if the media report about these various actions as well, we can include them as variables and test whether they have any significant effect as moderators on satisfaction shifts. Obviously crises that are not exposed in the media will not be covered.

The media may cover certain moderators, like acts of service recovery, but chances are that many aspects will be left out, or only partially revealed. If we were to investigate this moderator, the secondary data from Atekst should ideally be combined with some primary data gathered through interviews with costumers and company executives. However, due to limited time and resources we are not planning to gather any new data through this research. It is also doubtful whether this would even be possible, considering the fact that some of the crises we will look into occurred many years ago. The same is the case for the involvement moderator. Since it is not products that are low- and high-involvement, but customers that have varying degrees of involvement, we would once again have to gather new data. As for brand personalities as moderator, it is possible that we could find certain Norwegian companies with very clear and concise personalities. Ideally though, the question of whether these personalities are manifest in the minds of consumers should also be tested.

The worst possible outcome of our investigation is that we find no correlation between major company level crises and satisfaction. However, a more likely outcome is that we do find correlation between the two, but a variation that

we cannot fully explain through our moderator(s). As pointed out there may also be a lot of uncertainties related to various moderators that could have significant effects on satisfaction scores, but which cannot be measured purely based on secondary data. These are factors that Aaker et al. (2004) had more control over. Although, it should be mentioned that they never measured to what degree their participants perceived the two brands as sincere or exiting. Nor did they check whether the participants experienced the transgressions acts as truly harmful, or the service recovery as helpful. Since the participants did not spend any money on the products, and actually got paid to take part, they may simply not have cared about it much.

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