

The impact of a Social Customer Relationship Management (SCRM) system
on the development of customer engagement in the restaurant industry

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ABSTRACT

The impact of a Social Customer Relationship Management (SCRM) system on the development of customer engagement in the restaurant industry

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The main purpose of this research is to examine the impact of a Social Customer Relationship Management (SCRM) system on the development of customer engagement in the restaurant industry. This study is also aimed at investigating the impact of customer engagement on cognitive and affective commitment, behavioural loyalty, satisfaction, trust and involvement. We also expect to find a positive impact of customer engagement on other measurements such as revenue growth ratios, sales, frequency of visit, profitability, satisfaction, intentions to revisit, money spent per visit and word-of-mouth referral.

In order to validate the model, a survey was administered to *Osc!* restaurant and Sarah B. bar patrons. The results confirmed the validity of the scale, as well as the profile of the customers. This first round of data collection also confirmed the existence of a positive and significant relationship between customer engagement and the following variables: cognitive and affective commitment, behavioural loyalty, satisfaction and trust.

Then, following the implementation of the Social Customer Relationship Management (SCRM) system, a second survey was administered to the active members of the program. This confirmed the reliability of the scales once again and it highlighted the differences between the profiles of the customers and the SCRM members. The regression analysis also confirmed the positive and significant relationship between customer engagement and the following variables: behavioural loyalty, satisfaction and trust. The analysis of the financial results also confirms the impact of the Social Customer Relationship Management (SCRM) system on sales, revenue growth, profitability and average amount spent per visit.

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Table of Contents

| | |
|--|-------------|
| LIST OF FIGURES | VIII |
| LIST OF TABLES | IX |
| 1. INTRODUCTION | 1 |
| 1.1 RESEARCH QUESTION | 1 |
| 1.2 RESEARCH OBJECTIVES | 1 |
| 2. LITERATURE REVIEW | 1 |
| 2.1 THE INTERNET | 1 |
| 2.1.1 Web 1.0 | 1 |
| 2.1.2 Web 2.0 | 2 |
| 2.1.3 Web 3.0 | 2 |
| 2.1.4 Social media | 2 |
| 2.2 CUSTOMER ENGAGEMENT | 4 |
| 2.2.1 Emergence of the concept | 4 |
| 2.2.2 Collaborative creation process | 4 |
| 2.2.3 Relationship between the brand and consumers | 5 |
| 2.2.4 Customer engagement cycle | 6 |
| 2.2.5 Potential benefits | 6 |
| 2.2.6 Towards a definition of the consumer engagement concept | 8 |
| 2.3 CUSTOMER RELATIONSHIP MANAGEMENT | 8 |
| 2.3.1 A definition of Customer Relationship Management (CRM) | 8 |
| 2.3.2 Potential pitfalls of Customer Relationship Management | 10 |
| 2.3.3 Potential benefits of Customer Relationship Management | 11 |
| 2.3.4 Impacts of technology and social media on Customer Relationship Management | 12 |
| 2.4 SOCIAL CUSTOMER RELATIONSHIP MANAGEMENT | 13 |
| 2.4.1 The “S” before Customer Relationship Management: Definition | 13 |
| 2.4.2 Anticipated benefits of SCRM | 14 |
| 2.4.3 Anticipated risks of SCRM | 15 |
| 2.4.4 Activities involved in CRM and SCRM | 17 |
| 2.5 RESTAURANT INDUSTRY | 20 |
| 2.5.1 Portrait of the restaurant industry in Quebec and in the United States | 20 |
| 2.5.2 Current trends in the restaurant industry | 21 |
| 2.5.3 Customer engagement in the restaurant industry | 21 |
| 2.5.4 Impacts of customer engagement on the restaurant industry | 23 |
| 2.6 CONCLUSION OF THE LITERATURE REVIEW | 23 |
| 3. RESEARCH DESIGN AND METHODOLOGY | 24 |
| 3.1 TARGET RESTAURANT | 24 |
| 3.1.1 InterContinental Hotels and Resorts | 24 |
| 3.1.2 Osco! restaurant and Sarah B. bar | 24 |
| 3.1.3 Financial situation | 25 |
| 3.2 SCRM PROGRAM | 26 |
| 3.2.1 Customer interface | 26 |
| 3.2.2 Restaurant interface | 26 |
| 3.2.3 Administrator interface | 27 |
| 3.3 METHODOLOGY | 27 |
| 3.3.1 Model | 27 |
| 3.3.2 Operationalization of constructs associated with the model | 28 |
| 3.3.3 Hypotheses | 30 |

| | | |
|-----------|---|-----------|
| 3.3.4 | <i>Pre-test and questionnaire revision</i> | 30 |
| 3.3.5 | <i>First round of data collection</i> | 31 |
| 4. | FIRST QUESTIONNAIRE ANALYSIS | 32 |
| 4.1 | VALIDATION OF THE SCALES..... | 32 |
| 4.1.1 | <i>Customer engagement</i> | 32 |
| 4.1.2 | <i>Affective commitment</i> | 33 |
| 4.1.3 | <i>Cognitive commitment</i> | 34 |
| 4.1.4 | <i>Customer loyalty</i> | 34 |
| 4.1.5 | <i>Satisfaction</i> | 35 |
| 4.1.6 | <i>Trust</i> | 35 |
| 4.1.7 | <i>Word of mouth</i> | 36 |
| 4.1.8 | <i>Involvement</i> | 36 |
| 4.2 | CLIENT PROFILE..... | 37 |
| 4.2.1 | <i>Frequency of the visits</i> | 37 |
| 4.2.2 | <i>Interest in a SCRM program</i> | 38 |
| 4.2.3 | <i>Internet and social media usage</i> | 39 |
| 4.2.4 | <i>Socio-demographic profile</i> | 43 |
| 4.3 | REGRESSION ANALYSIS..... | 46 |
| 4.3.1 | <i>Relationship between customer engagement and cognitive commitment</i> | 46 |
| 4.3.2 | <i>Relationship between customer engagement and affective commitment</i> | 47 |
| 4.3.3 | <i>Relationship between customer engagement and behavioural loyalty</i> | 48 |
| 4.3.4 | <i>Relationship between customer engagement and satisfaction</i> | 49 |
| 4.3.5 | <i>Relationship between customer engagement and trust</i> | 50 |
| 4.3.6 | <i>Relationship between customer engagement and involvement</i> | 51 |
| 4.3.7 | <i>Relationship between customer engagement and word of mouth</i> | 52 |
| 4.3.8 | <i>Discussion of the results</i> | 53 |
| 4.4 | SECOND ROUND OF DATA COLLECTION..... | 53 |
| 4.4.1 | <i>Preparation of the second questionnaire</i> | 53 |
| 4.4.2 | <i>Pre-test and questionnaire revision</i> | 53 |
| 4.4.3 | <i>Obstacles and difficulty associated with the second round of data collection</i> | 54 |
| 5. | SECOND QUESTIONNAIRE ANALYSIS | 54 |
| 5.1 | VALIDATION OF THE SCALES..... | 54 |
| 5.1.1 | <i>Customer engagement</i> | 54 |
| 5.1.2 | <i>Affective commitment</i> | 55 |
| 5.1.3 | <i>Cognitive commitment</i> | 56 |
| 5.1.4 | <i>Customer loyalty</i> | 56 |
| 5.1.5 | <i>Satisfaction</i> | 57 |
| 5.1.6 | <i>Trust</i> | 57 |
| 5.1.7 | <i>Word-of-mouth</i> | 58 |
| 5.1.8 | <i>Involvement</i> | 58 |
| 5.2 | CLIENT PROFILE..... | 59 |
| 5.2.1 | <i>Frequency of the visits</i> | 59 |
| 5.2.2 | <i>Internet and social media usage</i> | 60 |
| 5.2.3 | <i>Socio-demographic profile</i> | 64 |
| 5.3 | REGRESSION ANALYSIS..... | 66 |
| 5.3.1 | <i>Relationship between customer engagement and cognitive commitment</i> | 66 |
| 5.3.2 | <i>Relationship between customer engagement and affective commitment</i> | 67 |
| 5.3.3 | <i>Relationship between customer engagement and behavioural loyalty</i> | 68 |
| 5.3.4 | <i>Relationship between customer engagement and satisfaction</i> | 69 |
| 5.3.5 | <i>Relationship between customer engagement and trust</i> | 70 |

| | |
|---|------------|
| 5.3.6 <i>Relationship between customer engagement and involvement</i> | 71 |
| 5.3.7 <i>Relationship between customer engagement and word of mouth</i> | 72 |
| 5.4 DISCUSSION OF THE RESULTS..... | 73 |
| 5.4.1 <i>Scale validation: Comparison between the two samples</i> | 73 |
| 5.4.2 <i>Client profiles: Comparison between the two samples</i> | 75 |
| 5.4.3 <i>Regression analysis: Comparison between the two samples</i> | 77 |
| 5.4.4 <i>Financial results</i> | 79 |
| 6. CONCLUSIONS | 80 |
| 6.1 GENERAL CONCLUSIONS OF THE ANALYSIS..... | 80 |
| 6.2 VALIDATION OF THE MODEL AND THE HYPOTHESES | 81 |
| 6.3 LIMITATIONS..... | 82 |
| 6.4 IMPLICATIONS FOR RESTAURANTS | 84 |
| 6.5 FUTURE STUDIES..... | 84 |
| BIBLIOGRAPHY | 85 |
| APPENDIX A: DEFINITION TABLES | 91 |
| APPENDIX B: RELATIONSHIP TABLES | 96 |
| APPENDIX C: CONSENT FORM PHASE 1 | 99 |
| APPENDIX D: QUESTIONNAIRE PHASE 1 | 100 |
| APPENDIX E: CONSENT FORM PHASE 2 | 111 |
| APPENDIX F: QUESTIONNAIRE PHASE 2 | 112 |

List of Figures

FIGURE 1: CONCEPTUAL MODEL OF THE PROCESS OF CUSTOMER ENGAGEMENT PRESENTED BY BOWDEN (2009)..... 222

FIGURE 2: THEORETICAL MODEL OF CUSTOMER ENGAGEMENT PRESENTED BY VIVEK ET AL. (2012)..... 28

FIGURE 3: CONCEPTUAL MODEL 28

List of Tables

| | |
|--|----|
| TABLE 1: RELIABILITY STATISTICS CUSTOMER ENGAGEMENT SCALE (FIRST SAMPLE) | 33 |
| TABLE 2: ITEM-TOTAL STATISTICS CUSTOMER ENGAGEMENT SCALE (FIRST SAMPLE) | 33 |
| TABLE 3: RELIABILITY STATISTICS AFFECTIVE COMMITMENT SCALE (FIRST SAMPLE) | 33 |
| TABLE 4: ITEM-TOTAL STATISTICS AFFECTIVE COMMITMENT (FIRST SAMPLE) | 33 |
| TABLE 5: RELIABILITY STATISTICS COGNITIVE COMMITMENT SCALE (FIRST SAMPLE) | 34 |
| TABLE 6: ITEM-TOTAL STATISTICS COGNITIVE COMMITMENT SCALE (FIRST SAMPLE) | 34 |
| TABLE 7: RELIABILITY STATISTICS CUSTOMER LOYALTY SCALE (FIRST SAMPLE) | 34 |
| TABLE 8: ITEM-TOTAL STATISTICS CUSTOMER LOYALTY SCALE (FIRST SAMPLE) | 35 |
| TABLE 9: RELIABILITY STATISTICS SATISFACTION SCALE (FIRST SAMPLE) | 35 |
| TABLE 10: ITEM-TOTAL STATISTICS SATISFACTION SCALE (FIRST SAMPLE) | 35 |
| TABLE 11: RELIABILITY STATISTICS TRUST SCALE (FIRST SAMPLE) | 35 |
| TABLE 12: ITEM-TOTAL STATISTICS TRUST SCALE (FIRST SAMPLE) | 36 |
| TABLE 13: RELIABILITY STATISTICS WORD OF MOUTH SCALE (FIRST SAMPLE) | 36 |
| TABLE 14: RELIABILITY STATISTICS INVOLVEMENT SCALE (FIRST SAMPLE) | 36 |
| TABLE 15: ITEM-TOTAL STATISTICS INVOLVEMENT SCALE (FIRST SAMPLE) | 37 |
| TABLE 16: FREQUENCY TABLE (QUESTION 51, FIRST SAMPLE) | 38 |
| TABLE 17: FREQUENCY TABLE (QUESTION 52, FIRST SAMPLE) | 38 |
| TABLE 18: FREQUENCY TABLE (QUESTION 53, FIRST SAMPLE) | 39 |
| TABLE 19: FREQUENCY TABLE (QUESTION 54, FIRST SAMPLE) | 39 |
| TABLE 20: FREQUENCY TABLE (QUESTION 55, FIRST SAMPLE) | 40 |
| TABLE 21: FREQUENCY TABLE (QUESTION 56, FIRST SAMPLE) | 40 |
| TABLE 22: FREQUENCY TABLE (QUESTION 57, FIRST SAMPLE) | 40 |
| TABLE 23: FREQUENCY TABLE (QUESTION 58, FIRST SAMPLE) | 41 |
| TABLE 24: FREQUENCY TABLE (QUESTION 59, FIRST SAMPLE) | 41 |
| TABLE 25: FREQUENCY TABLE (QUESTION 60, FIRST SAMPLE) | 42 |
| TABLE 26: FREQUENCY TABLE (QUESTION 61, FIRST SAMPLE) | 42 |
| TABLE 27: FREQUENCY TABLE (QUESTION 63, FIRST SAMPLE) | 43 |
| TABLE 28: FREQUENCY TABLE (QUESTION 64, FIRST SAMPLE) | 43 |
| TABLE 29: FREQUENCY TABLE (QUESTION 66, FIRST SAMPLE) | 44 |
| TABLE 30: FREQUENCY TABLE (QUESTION 67, FIRST SAMPLE) | 44 |
| TABLE 31: FREQUENCY TABLE (QUESTION 68, FIRST SAMPLE) | 45 |
| TABLE 32: FREQUENCY TABLE (QUESTION 69, FIRST SAMPLE) | 45 |
| TABLE 33: FREQUENCY TABLE (QUESTION 70, FIRST SAMPLE) | 46 |
| TABLE 34: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND COGNITIVE COMMITMENT (FIRST SAMPLE) | 46 |
| TABLE 35: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND COGNITIVE COMMITMENT (FIRST SAMPLE) | 47 |
| TABLE 36: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND COGNITIVE COMMITMENT (FIRST SAMPLE) | 47 |
| TABLE 37: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND AFFECTIVE COMMITMENT (FIRST SAMPLE) | 47 |
| TABLE 38: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND AFFECTIVE COMMITMENT (FIRST SAMPLE) | 48 |
| TABLE 39: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND AFFECTIVE COMMITMENT (FIRST SAMPLE) | 48 |
| TABLE 40: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND BEHAVIOURAL LOYALTY (FIRST SAMPLE) | 48 |
| TABLE 41: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND BEHAVIOURAL LOYALTY (FIRST SAMPLE) | 49 |
| TABLE 42: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND BEHAVIOURAL LOYALTY (FIRST SAMPLE) | 49 |
| TABLE 43: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND SATISFACTION (FIRST SAMPLE) | 49 |
| TABLE 44: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND SATISFACTION (FIRST SAMPLE) | 50 |

| | |
|--|----|
| TABLE 45: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND SATISFACTION (FIRST SAMPLE)..... | 50 |
| TABLE 46: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND TRUST (FIRST SAMPLE)..... | 50 |
| TABLE 47: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND TRUST (FIRST SAMPLE) | 51 |
| TABLE 48: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND TRUST (FIRST SAMPLE)..... | 51 |
| TABLE 49: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND INVOLVEMENT (FIRST SAMPLE) | 51 |
| TABLE 50: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND INVOLVEMENT (FIRST SAMPLE)..... | 52 |
| TABLE 51: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND INVOLVEMENT (FIRST SAMPLE)... | 52 |
| TABLE 52: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND WORD OF MOUTH (FIRST SAMPLE)..... | 52 |
| TABLE 53: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND WORD OF MOUTH (FIRST SAMPLE)..... | 52 |
| TABLE 54: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND WORD OF MOUTH (FIRST SAMPLE) | 53 |
| TABLE 55: RELIABILITY STATISTICS CUSTOMER ENGAGEMENT SCALE (SECOND SAMPLE) | 55 |
| TABLE 56: ITEM-TOTAL STATISTICS CUSTOMER ENGAGEMENT SCALE (SECOND SAMPLE)..... | 55 |
| TABLE 57: RELIABILITY STATISTICS AFFECTIVE COMMITMENT SCALE (SECOND SAMPLE) | 55 |
| TABLE 58: ITEM-TOTAL STATISTICS AFFECTIVE COMMITMENT SCALE (SECOND SAMPLE)..... | 56 |
| TABLE 59: RELIABILITY STATISTICS COGNITIVE COMMITMENT SCALE (SECOND SAMPLE) | 56 |
| TABLE 60: ITEM-TOTAL STATISTICS COGNITIVE COMMITMENT SCALE (SECOND SAMPLE)..... | 56 |
| TABLE 61: RELIABILITY STATISTICS CUSTOMER LOYALTY SCALE (SECOND SAMPLE) | 57 |
| TABLE 62: ITEM-TOTAL STATISTICS CUSTOMER LOYALTY SCALE (SECOND SAMPLE) | 57 |
| TABLE 63: RELIABILITY STATISTICS SATISFACTION SCALE (SECOND SAMPLE) | 57 |
| TABLE 64: ITEM-TOTAL STATISTICS SATISFACTION SCALE (SECOND SAMPLE) | 57 |
| TABLE 65: RELIABILITY STATISTICS TRUST SCALE (SECOND SAMPLE)..... | 58 |
| TABLE 66: ITEM-TOTAL STATISTICS TRUST SCALE (SECOND SAMPLE) | 58 |
| TABLE 67: RELIABILITY STATISTICS WORD-OF-MOUTH SCALE (SECOND SAMPLE)..... | 58 |
| TABLE 68: RELIABILITY STATISTICS INVOLVEMENT SCALE (SECOND SAMPLE) | 58 |
| TABLE 69: ITEM-TOTAL STATISTICS INVOLVEMENT SCALE (SECOND SAMPLE) | 58 |
| TABLE 70: FREQUENCY TABLE (QUESTION 51, SECOND SAMPLE) | 60 |
| TABLE 71: FREQUENCY TABLE (QUESTION 52, SECOND SAMPLE) | 60 |
| TABLE 72: FREQUENCY TABLE (QUESTION 53, SECOND SAMPLE) | 61 |
| TABLE 73: FREQUENCY TABLE (QUESTION 54, SECOND SAMPLE) | 61 |
| TABLE 74: FREQUENCY TABLE (QUESTION 55, SECOND SAMPLE) | 61 |
| TABLE 75: FREQUENCY TABLE (QUESTION 56, SECOND SAMPLE) | 61 |
| TABLE 76: FREQUENCY TABLE (QUESTION 57, SECOND SAMPLE) | 62 |
| TABLE 77: FREQUENCY TABLE (QUESTION 58, SECOND SAMPLE) | 62 |
| TABLE 78: FREQUENCY TABLE (QUESTION 59, SECOND SAMPLE) | 63 |
| TABLE 79: FREQUENCY TABLE (QUESTION 61, SECOND SAMPLE) | 63 |
| TABLE 80: FREQUENCY TABLE (QUESTION 62, SECOND SAMPLE) | 64 |
| TABLE 81: FREQUENCY TABLE (QUESTION 64, SECOND SAMPLE) | 64 |
| TABLE 82: FREQUENCY TABLE (QUESTION 65, SECOND SAMPLE) | 65 |
| TABLE 83: FREQUENCY TABLE (QUESTION 66, SECOND SAMPLE) | 65 |
| TABLE 84: FREQUENCY TABLE (QUESTION 67, SECOND SAMPLE) | 66 |
| TABLE 85: FREQUENCY TABLE (QUESTION 68, SECOND SAMPLE) | 66 |
| TABLE 86: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND COGNITIVE COMMITMENT (SECOND SAMPLE)..... | 67 |
| TABLE 87: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND COGNITIVE COMMITMENT (SECOND SAMPLE)..... | 67 |
| TABLE 88: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND COGNITIVE COMMITMENT (SECOND SAMPLE)..... | 67 |
| TABLE 89: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND AFFECTIVE COMMITMENT (SECOND SAMPLE)..... | 68 |
| TABLE 90: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND AFFECTIVE COMMITMENT (SECOND SAMPLE)..... | 68 |
| TABLE 91: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND AFFECTIVE COMMITMENT (SECOND SAMPLE)..... | 68 |

| | |
|--|----|
| TABLE 92: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND BEHAVIOURAL LOYALTY (SECOND SAMPLE)..... | 69 |
| TABLE 93: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND BEHAVIOURAL LOYALTY (SECOND SAMPLE)..... | 69 |
| TABLE 94: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND BEHAVIOURAL LOYALTY (SECOND SAMPLE)..... | 69 |
| TABLE 95: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND SATISFACTION (SECOND SAMPLE)..... | 69 |
| TABLE 96: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND SATISFACTION (SECOND SAMPLE)..... | 70 |
| TABLE 97: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND SATISFACTION (SECOND SAMPLE)..... | 70 |
| TABLE 98: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND TRUST (SECOND SAMPLE)..... | 70 |
| TABLE 99: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND TRUST (SECOND SAMPLE)..... | 71 |
| TABLE 100: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND TRUST (SECOND SAMPLE)..... | 71 |
| TABLE 101: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND INVOLVEMENT (SECOND SAMPLE)..... | 71 |
| TABLE 102: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND INVOLVEMENT (SECOND SAMPLE)..... | 72 |
| TABLE 103: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND INVOLVEMENT (SECOND SAMPLE)..... | 72 |
| TABLE 104: MODEL SUMMARY, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND WORD OF MOUTH (SECOND SAMPLE)..... | 72 |
| TABLE 105: ANOVA, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND WORD OF MOUTH (SECOND SAMPLE)..... | 73 |
| TABLE 106: COEFFICIENTS, RELATIONSHIP BETWEEN CUSTOMER ENGAGEMENT AND WORD OF MOUTH (SECOND SAMPLE)..... | 73 |

1. Introduction

1.1 Research Question

How does the development of a Social Customer Relationship Management system affect the development of customer engagement and what are the effects of customer engagement on different variables and measurements in the restaurant industry? To address this research question, two studies were conducted in the context of the implementation of a SCRM system in an upscale restaurant located in a Montreal hotel.

1.2 Research objectives

The main purpose of this research is to examine the impact of the Social Customer Relationship Management (SCRM) system on the development of customer engagement in the restaurant industry. Also, this study aims to validate some of the hypotheses presented by Vivek and colleagues (2012). The present study seeks to replicate the positive impact of customer engagement on cognitive and affective commitment, behavioural loyalty, satisfaction, trust and involvement. We also expect to confirm the impact of customer engagement on other measurements such as revenue growth ratios, sales, frequency of visit, profitability, satisfaction, intentions to revisit, money spent per visit and word of mouth referral.

2. Literature review

2.1 The Internet

This first section describes the evolution and the importance of the Internet, as well as the information and communication technologies, in people's (and customers') lives over the past decades.

2.1.1 Web 1.0

"The ARPANET of 1969 gave rise to the subsequent assembly of the Internet in the 1980's, creating a new conduit for transmitting information and for communicating." (Harrison and Barthel, 2009, p. 156). In the 1990's, the World Wide Web created the opportunity for users to access and retrieve a variety of verbal and visual content presented through a complex hyperlink system (Harrison and Barthel, 2009, p. 156). Harrison and Barthel (2009, p. 156) suggest that the Internet "created a revolutionary new medium for interpersonal, group and mass communication." However, Web 1.0, as described by Thackeray et al. (2008, p. 339) "allowed only one-way communication through static Web pages."

2.1.2 Web 2.0

More recently, we have seen the Internet evolve into what many authors refer to as Web 2.0. Harrison and Barthel (2009, p.155) suggest that “what is genuinely new about this phenomenon, [...] is the users’ propensity to construct content in the form of information and media product for the web environment.” This notion is supported by Thackeray et al. (2008, p. 338) who claim that customers can now get involved in the creative process by producing and distributing content through Web 2.0 applications. This perspective corroborates Tapscott and Williams’ findings (2006, p. 37) which state that the new Web is participative and that it involves people socializing, creating and sharing content, instead of receiving the information in a passive manner. The idea that “users are gratified in significant ways by the ability to play an active role in generating content, rather than only passively consuming that which is created for them by others” is supported by Harrison and Barthel (2009, p. 157). As mentioned by Thackeray et al. (2008, p. 339), “Nobody knows everything, but everybody knows something” that can be shared online to contribute to the “collective intelligence”. Furthermore, O’Reilly (2005) presents the critical role of Web businesses in creating applications that support user interactions, content creation, knowledge and information sharing. Harrison and Barthel (2009, p. 157) add that even consumers with limited technical knowledge are able to contribute by creating and sharing their own content on social networking websites, for example.

Although the concept has not been clearly defined in the literature, most authors agree that the possibility for users to create and distribute content is the cornerstone of Web 2.0.

2.1.3 Web 3.0

Wahlster and Dengel (2006, p. 19) suggest that “social software evolution and the widespread usage of Web 2.0 can be used as a catalyst for the establishment of semantic technologies.” In an article written in 2006, John Markoff presented the emergent concept of Web 3.0. The paper published in *The New York Times* suggested that the “goal was to add a layer of meaning on top of the existing Web, that would make it less of a catalog and more of a guide – and even provide the foundation for systems that can reason in a human fashion.” (2006, para. 2) This new semantic Web would allow customers to find “reasonable and complete responses” to their questions on the Web. Although we are still in the early stages of this new technology, it promises to reveal an important amount of unorganized content (Kavanagh, 2010).

2.1.4 Social media

The previous sections looked at the evolution of the World Wide Web into a space where users generate and share their own content through various applications. Building on this knowledge, Weinberg and

Berger (2011, p. 329) describe social media as “a set of applications (e.g., Facebook, Twitter, Flickr) that are built to run on a ‘Web 2.0’ platform and this Web-based platform inherently enables the creation and distribution/sharing of information created by users/consumers, namely: user-generated content.” Mangold and Faulds (2009, p. 358) suggest that the term social media includes a large number of “word-of-mouth forums” such as social networking sites, creativity works sharing sites, blogs, business networking sites, collaborative websites, e-commerce communities, podcasts and much more. In the same way, Blackshaw and Nazzaro (2004, p. 2) characterized social media as “a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues.” These definitions are closely related to the new Web 2.0 phenomenon, as described earlier, and they all emphasize the importance of user-generated content on social media. However, Web 3.0 will soon integrate the world of social media. In fact, the new Facebook Graph Search will allow users to type “simple phrases to search for sets of people, places and things that match specific characteristics” (Facebook, 2013). For example, customers will be able to retrieve restaurant recommendations posted by friends living in their neighbourhood or to find product reviews posted by a group of friends with the same interests. This revolution will organize user-generated content and make it more easily accessible to customers.

Baird and Parasnis (2011, p. 30) claim that the “worldwide explosion of social media usage” has increased the pressure on brands and companies to “engage where their customers are paying attention”. In fact, recent statistics demonstrate that Facebook now has more than 1.23 billion active users monthly (Facebook, January 29th 2014) whereas Twitter has more than 241 million active users monthly (Twitter, February 5th, 2014). As mentioned previously, consumers across the world are using this technology to share information and opinions about the products and services they buy. Thus, Mangold and Faulds (2009, p. 358) suggest that the information shared through social media has “become a major factor in influencing various aspects of consumer behavior including awareness, information acquisition, opinions, attitudes, purchase behavior, and post-purchase communication and evaluation.” Similarly, Weinberg and Berger (2011, p. 330) built on the traditional word-of-mouth theory and suggest “that (online) word of mouth via Web 2.0 applications, such as blogs, online communities and rating and review websites, can influence the purchase decisions of other consumers.” Brian Solis (2009, para. 1) even proposes that over and above the opportunity to publish, share and discover content, social media becomes a “peer-to-peer looking glass into the real world conversations that affect the perception, engagement, and overall direction of brands.”

The context described in this section suggests that social media will have (and has already had) an impact on the information customers share and on the way businesses engage with their customers.

2.2 Customer engagement

2.2.1 Emergence of the concept

Brodie et al. (2011, p. 1) suggest that the use of the term “engagement” in academic marketing literature has increased significantly in the recent years. For example, in an article written in 2005, Algesheimer et al. wrote the terms ‘engage’ and ‘engagement’ over fifty times, whereas Schau et al. (2009) used the same words more than seventy times. Moreover, in a recent paper, Sashi (2012, p. 255) claims that the importance given by managers to the concept of customer engagement has been rising at the same rate as the technologies allowing “greater interactivity among individuals and organizations”. This statement suggests a connection between the concept of customer engagement and the evolution of the World Wide Web, as described previously. Consequently, the Marketing Science Institute's 2010–2012 Research Priorities underline the need for further research on the customer engagement concept in order to gain academic insight into customers’ behaviour in interactive and co-creative environments.

Customer engagement is becoming a more central theme in the marketing literature; however, authors have not agreed on a specific definition of the concept and it has been considered from a variety of points of view.

The content presented in the next sections details the collaborative creation process, the perspective of various authors on the relationship existing between the brand and consumers, as well as the potential benefits of customer engagement.

2.2.2 Collaborative creation process

The Advertising Research Foundation (2008) believes that customer engagement is the result of a collaborative creation process, which generates a deeper and stronger connection with the brand, as described in the following section. Lusch and Vargo (2006, p. 284) propose that engagement includes co-creation, which involves the customers’ “participation in the creation of the core offering itself” in collaboration with other players. Most authors agree that the collaborative creation process is involved in developing customer engagement. This reality suggests a potential connection between Web 2.0 and customer engagement, through the co-creation process.

2.2.3 Relationship between the brand and consumers

Many authors have also looked at the relationship between the consumer and the brand. For example, a global survey of “311 executives from various industries” conducted by the Economist Intelligence Unit in 2006 defines customer engagement as a relationship based on “the creation of a deeper, more meaningful connection between the company and the customer, and one that endures over time.” (Voyles, 2007a, p. 2).

In an article published in 2004, McEwen suggest that engagement depends on the strength of the rational and emotional ties formed by the customer with the company. Appelbaum (2010, para. 7) adds that “people stay faithful to brands that earn both their rational trust and their deeply felt affection.”

Patterson et al. (2006, p. 3) added an additional dimension to the concept of customer engagement by describing it as “the level of a customer’s physical, cognitive and emotional presence in their relationship with a service organization.” Similarly, Sedley (2010, p. 12) suggests that by creating opportunities for repeated interactions, the firm can increase the emotional, psychological and physical commitment of the customer towards the brand.

More recently, Hollebeek (2011, p. 790) portrays customer engagement as the intensity of “a customer’s motivational, brand-related and context dependent state of mind characterized by specific levels of cognitive, emotional and behavioral activity in brand interactions.” Vivek et al. (2012, p. 133) describe customer engagement as the strength “of an individual’s participation in and connection with an organization’s offerings or organizational activities, which either the customer or the organization initiates” and which can be “manifested cognitively, affectively, behaviorally, or socially.” These various definitions suggest that the concept evolved into a model where more dimensions are included and considered when studying customer engagement.

Also, the emergence of the Internet and its constant growth over the past decades, as described earlier, suggest that consideration of the brand’s online presence, in addition to its more traditional representation, is necessary when studying customer engagement. For example, looking specifically at the online context, Mollen and Wilson (2010, p. 923) suggest that customer engagement is manifested in the consumers’ cognitive and emotional commitment to nurture a relationship with the brand and its online representation.

2.2.4 Customer engagement cycle

In 2012, Sashi presented his perspective on the customer engagement cycle and its seven stages. The author argues that the first stage is the connection, which “may be established using both traditional offline methods like salespersons and new digital online methods like social networking” (p. 260). The next stage is the interaction between the consumer and the firm or other consumers. The arrival of Web 2.0 had a major impact on this part of the cycle, as “restrictions in terms of space and time are fast disappearing” (Sashi, 2012, p. 261). If the interactions phase is satisfactory, customers will most probably “stay connected” and “progress towards engagement” in the third stage of the customer engagement cycle (Sashi, 2012, p. 262). The fourth stage is the retention, which can be the result of “enduring relationships without emotional bonds or emotional bonds without a long-term relationship”(p. 263). On the other hand, the fifth stage of the process is associated with the development of an affective or calculative commitment. Then, consumers may reach the sixth stage and become advocates by sharing “their positive experiences with a product, brand, or company”(p. 263) and finally, customers are considered engaged when they develop both emotional and rational commitment.

2.2.5 Potential benefits

Over the years, some authors have researched and focused on the potential impacts of customer engagement for the brands.

First of all, some authors considered the impact of customer engagement on sales. In an article published in *Advertising Age* in 2007, Jack Neff presents the results of a study conducted by Omnicom Group’s OMD, which demonstrate that customer engagement had a significant and positive impact on sales for the brand studied.

Moreover, Voyles (2007, p. 7) points out that an increase in customer engagement can “provide a crucial competitive advantage.” These results are consistent with Sedley and Perks’s view, which suggests that “online customer engagement is the best predictor of future business performance” (2008, p. 68). The results presented in Gallup’s (2009) cross-industry research demonstrate that “customers who are fully engaged represent an average 23% premium in terms of share of wallet, profitability, revenue, and relationship growth over the average customer” (2009, p. 4). This study also suggests that companies that put the emphasis on consumer engagement “outperform those that do not” on key business indicators (2009, p. 1).

Other authors have defined customer engagement in terms of its impacts on loyalty and various purchase behaviours. Forrester Consulting (2008, p. 3) surveyed 200 business decision-makers and the results

suggest that customer engagement is related to the creation of meaningful connections between the brand and the customers, which in turn, can have a significant impact on purchase intentions, interaction levels and participation. Similarly, Bowden (2009, p. 71) posits that customer engagement is the “psychological process” where the affective and the calculative commitment lead to customer satisfaction and, ultimately, loyalty. Furthermore, Thackeray et al. (2008, p. 341) discuss how customer engagement in the creative process, as presented earlier, can increase brand referral, sales and loyalty, by making a product that is more closely related to the client’s needs. Brodie et al. (2011) suggest that loyalty, satisfaction, consumer empowerment, emotional bonding, trust and commitment are “key consumer engagement consequences” (2011, p. 8). The importance of the connection between the consumer and the brand was also supported in Gallup’s paper (2009, p. 2), which considered the indexed performance for a retail bank in terms of account retention and total dollars spent (per month) and found that “emotionally connected customers tend to deliver significantly enhanced business results when compared to their rational counterparts.”

Authors have also looked into other potential benefits associated with Web 2.0 for brands and companies. Thus, Van Doorn et al. (2010, p. 254) defines engagement as customer behaviours directed at the firm (both negative and positive) and going above and beyond purchase behaviour such as writing a blog post or organizing public actions against the firm. As for Thackeray et al. (2008, p. 341), they suggest that an interactive relationship between the customer and the brand will increase the propensity and the rapidity with which consumers will share experiences and opinions on the Web and therefore, have a positive impact of their viral marketing initiatives. This perspective is consistent with the work of Weinberg and Berger (2011) on the concept of online word of mouth, as we have discussed earlier.

In summary, these authors looked at the concept from different perspectives and underlined the importance of the multifaceted relationship between the consumer and the brand, the value of the collaborative creation process, as well as the potential impacts of customer engagement for the firm. The components of customer engagement, as described in this section, appear to be strongly connected with the evolution of the World Wide Web and communications technologies, as described in the previous section. Hence, the new technologies and Web 2.0 make the co-creation process possible and allow brands and customers to work hand in hand. Moreover, relationships can be developed and managed online through social media for the brands that are willing to listen to their customers and learn from them. Finally, the results of studies on customer engagement, in both online and offline contexts, suggest that the benefits, in terms of business performance, can be significant for companies.

2.2.6 Towards a definition of the consumer engagement concept

Most of the definitions we looked at in the previous sections focused on a few elements of the concept. However, a recent article published by Brodie et al. (2011, p. 3) presents a working definition of the customer engagement concept: “Consumer engagement in a virtual brand community involves specific interactive experiences between consumers and the brand, and/or other members of the community. Consumer engagement is a context-dependent, psychological state characterized by fluctuating intensity levels that occur within dynamic, iterative engagement processes. Consumer engagement is a multidimensional concept comprising cognitive, emotional, and/or behavioral dimensions, and plays a central role in the process of relational exchange where other relational concepts are engagement antecedents and/or consequences in iterative engagement processes within the brand community.”

This definition provides a broad understanding of the concept and seems to be a strong foundation on which this study can be built. First of all, this definition looks at customer engagement in the context of a virtual brand community. As demonstrated, the growth of the Internet and its various communication platforms is undeniable. Moreover, the statistics and the adoption levels presented earlier suggest that this new reality should be central to the context of this study. Secondly, this definition encompasses the various elements that we have discussed in the previous sections and provides a comprehensive view of the customer engagement concept. The authors suggest that the interactions between consumers and the brand are the foundation on which customer engagement is built. The definition also refers to the multidimensional aspect of the concept, “comprising cognitive, affective, behavioral dimensions” (Brodie et al., 2011, p. 3), as previously detailed. Finally, the “consequences” of this process, as Brodie et al. (2011) call them, are, for the most part, the potential benefits and consumer behaviours that many authors have looked at, and described in the previous section. Thus, the use of this definition as a reference in the context of this study is justified by its strong connection with the existing literature, as well as the fact that it takes in all the important notions that we have discussed so far.

2.3 Customer Relationship Management

The previous section looked at the concept of consumer engagement. The potential benefits associated with customer engagement suggest that a brand’s competitive advantage may reside in the development of a multifaceted relationship with the customer. The next section will look at customer relationship management as a potential tool for brands to increase consumer engagement.

2.3.1 A definition of Customer Relationship Management (CRM)

According to Payne and Frow (2005, p. 167), the term “customer relationship management emerged in the information technology (IT) vendor community and practitioner community in the mid-1990’s.”

Later, authors such as Zablah, Bellenger and Johnston (2003, p. 116) suggested that customer relationship management is derived from the relationship-marketing concept.

Over the past two decades, numerous authors have looked at how brands and companies manage their relationship with consumers. However, Payne and Frow (2005, p. 167) claim that although the concept has received lots of attention from academics and executives over the past decades, “There remains a lack of agreement about what a CRM is and how a CRM strategy should be developed.” This section will review some of the definitions provided for the concept in order to establish the foundation for the work that will follow in this research.

The article published by Payne and Frow in 2005 claims that practitioners and academics have considered the Customer Relationship Management concept from various points of view. The authors position the CRM definitions on a continuum, where the “narrow and tactical” definitions are placed at one end, the “broader and strategic” definitions at the other end and the “implementation of an integrated series of customer-oriented technology solutions” is in the middle. This model will be used to present the existing literature on the CRM concept.

First of all, authors like Kutner and Cripps (1997, p. 53) have described Customer Relationship Management as data-driven marketing. This definition falls into Payne and Frow’s first category and refers to “the implementation of a specific technology solution project” (2005, p. 168). In the same way, the definition proposed by Stone and Woodcock (2001) refers to Customer Relationship Management as the methodologies, technologies and e-commerce capabilities that are used by firms to manage their relationships with customers. On the other hand, some authors have presented a broader perspective and created definitions that are more closely related to the strategic aspects of Customer Relationship Management.

For example, Parvitiyar and Sheth (2001, p. 6) wrote that “Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer.” Similarly, Paulissen et al. (2007, p. 1) adopt the point of view presented by Chen and Ching (2004) and define CRM as a process that uses technology to find, analyze and share information to better understand consumers’ needs and to “develop insightful relationships”. The view of Swift (2000), also in line with the third perspective presented by Payne and Frow (2005, p. 168), suggests that “CRM is an enterprise approach to understanding and influencing customer behavior through meaningful communication to improve customer acquisition, customer

retention, customer loyalty, and customer profitability.” These definitions all share the same goal, which has been described by Tuzhilin (2012, p. 586) as the desire to “get (identify and acquire), keep (serve and retain) and grow best customers.”

2.3.2 Potential pitfalls of Customer Relationship Management

The previous section looked at the various definitions of Customer Relationship Management, while this one will consider the risks, as well as the potential benefits that may be associated with this strategic approach.

Referring to the definition of CRM, Nguyen (2012, p. 62) claims that the “lack of a universally accepted definition of a CRM has caused inconsistency in how academics define the concept, and even more inconsistency in how practitioners apply the concept.” Thus, the different ways in which CRM has been conceptualized has led to a variety of applications, as well as distinct perspectives of the concept (Nguyen, 2012, p. 62).

This article (Nguyen, 2012) also underlines the issues that have been linked to Customer Relationship Management over the past years. For example, the author mentions the “concerns about privacy in the tracking systems, information-storing in customer databases, favoritism toward profitable customers, dynamic pricing and hidden surcharges” (p. 56). These issues will be presented and analyzed in this section.

As mentioned by Jacob Morgan (2010, para. 9), “CRM was very much based around data and information that brands could collect on their customers, all of which would go into a CRM system that then allowed the company to better target various customers.” By learning more about their customers, brands can gain a certain advantage over them and the relationship can become asymmetric. Consequently, Nguyen (2012, p.60) suggest that, in the long run, customers can decide to change their behaviours and limit, or even modify, the information that they share with the brand if they feel that the relationship is not mutually beneficial. He also suggests that trust and privacy issues can result in negative word of mouth from the consumers, which can spread fast in the “era of social media” (Mangold and Faulds, 2009, p. 360).

Moreover, Woodcock et al. (2011, p. 251) believe that the interactions generated in the context of CRM “are designed to sell, not to engage or build relationships” and that they do “not help in building relationships and mutual trust between consumers and brands.” This comes up as a serious issue for a brand hoping to generate engagement through CRM activities.

Another important element is the issue of favouritism or the fact that the company treats consumers differently. Although this strategy can bring benefits to the brand, such as the opportunity to generate more revenue from certain client segments, there are also many potential downsides. In fact, research has confirmed the risks associated with “favoring certain customers over others, such as giving promotional deals to new customers over loyal customers” (Huppertz et al., 1978; Kahneman et al., 1986).

Overall, these studies suggest that, in order to make the implementation of a CRM successful, “firms should think with foresight about trust and privacy implications” (Boulding et al., 2005, p. 160), they should make sure that they are willing to build sincere and authentic relationships with their customers and they should always put fairness at the heart of their strategy.

2.3.3 Potential benefits of Customer Relationship Management

In an article written in 2005, Boulding et al. (p. 157) looked at the work conducted by various authors and suggest that “companies have developed proven CRM practices that enhance firm performance.” More specifically, they considered ten different articles and established that eight of them provided a wide range of evidence that CRM activities can increase a firm’s performance. Similarly, Ryals’ study (2005) showed a 270% growth in profits with the implementation of a few CRM measures, whereas Srinivasan and Moorman (2005) confirmed the impact of an investment in CRM applications on customer satisfaction. Also, Mithas et al. (2005) and Jayachandran et al. (2005) respectively presented the benefits of CRM activities on customer knowledge, as well as customer retention and satisfaction. As for Cao and Gruca (2005), they focused on Customer Relationship Management as a means to acquire the right clients, whereas Lewis (2005) identified and looked at various customer behaviours in order to create a pricing policy to increase profitability in the long run. Thomas and Sullivan (2005) considered the financial impacts of a communication structure, allowing the firm to personalize the messages sent to consumers based on their address and the stores they patronize. Finally, Gustafsson et al. (2005) studied the positive influence of “intermediate relationship performance measures” on consumer retention. These results were obtained in various industries with very specific (rather than comprehensive) CRM activities.

Most of these studies do not refer to the concept of engagement and do not consider the benefits from the customers’ standpoint. Some authors suggest that CRM can increase customer satisfaction and retention, but the majority of the studies only consider and demonstrate the positive results associated with CRM for the firms.

2.3.4 Impacts of technology and social media on Customer Relationship Management

In their recent article, Mangold and Faulds (2009, p. 360) discuss the new communications paradigm resulting from the “era of social media”. They claim that the Internet is now considered “mainstream media” and that customers are moving away from conventional advertising such as radio, television, magazines and newspapers (Rashtchy et al., 2007, p. 1). Moreover, they suggest that in recent years, social media have become a critical source of information, as well as a reference when it comes to purchasing decisions (Vollmer and Precourt, 2008). This trend seems to be related to the perceived trustworthiness of social media as a source of information for consumers, when compared with the traditional corporate communication methods (Foux, 2006).

In the traditional CRM strategy, relationships with customers were managed in order to maximize value for the firm. “With social media, though, companies are no longer in control of the relationship” (Baird and Parasnis, 2011, p. 30). As discussed previously, a major portion of online content is now generated by customers. In line with this view, Graeme Stoker, General Manager of Digital Care at BT Consumers, suggests that “we should be taking ourselves to where our customers are and therefore engage with them on their terms and their preferred location as opposed to waiting for them to come to us” (Orlikowski and Thompson, 2010, p. 2). This perspective is supported by Woodcock et al. (2011, p. 251), who state that this new era is in fact an opportunity for brands to build relationships with consumers online, using the channels they have chosen and being with them while they work, play and travel.

Some businesses have already noticed the impact of technology and social media on their relationships with their customers. In fact, in a recent survey, Forrester Consulting (2008, p. 4) asked 200 business decision-makers from around the world to explain the importance of the Internet in generating customer engagement. A majority of the respondents (70%) admitted that they now rely on “both offline and online touch points” in their customer engagement programs (2008, p. 4). Moreover, 41% of the respondents confirmed that digital technologies were central in their customer engagement strategy this year, and this number increased to 70% when participants were asked about the following year. Businesses also report that they rely on Internet applications and multimedia to create websites that are engaging for customers. Similarly, business decision-makers are creating new opportunities for consumers to participate with technologies “such as online reviews, mobile Web sites, and user-generated content” (2008, p. 4).

Thus the context in which the traditional CRM was created has changed. Customers are now sitting in the driver’s seat. This role reversal can certainly become an opportunity for brands that are willing to adjust and think outside of the box. In their 2011 article, Woodcock et al. (2011, p. 249) write that “social and

CRM in combination are likely to be more effective than individually”, and that is the view that we will consider in the next section.

2.4 Social Customer Relationship Management

2.4.1 The “S” before Customer Relationship Management: Definition

The concept of Social Customer Relationship Management has been gaining popularity among practitioners over the past few years; however it is rarely discussed in academic publications (Reinhold and Halt, 2012, p. 156). This section will look at the work of authors who have tried to define or explain this new concept.

The previous section demonstrated that companies are losing part of the control they used to have and that it is now being transferred to the hands of the customers. “What we’re learning now with the democratization of information is that individuals are in control of the brand and brand experience as much as the business. This is paramount. This is at the heart of what’s fueling the socialization of CRM” (Solis, 2011, para. 6). As this statement suggest, this new reality is propelling brands into a new world where they have to explore new communication channels – channels that they do not control (Solis, 2011).

Baird and Parasnis argue that “the traditional model of managing the customer relationship needs to adapt to the reality that the customer is now in control” (2011, p. 36). These authors suggest that SCRM is about making it possible for brands and customers to engage and be part of a mutually beneficial relationship (2011, p. 36). They also suggest that the relationship flourishes when brands “start thinking like a customer” and offer them the value they are looking for when interacting on social media (2011, p. 36). By establishing the grounds for an authentic conversation and by listening to customers, brands might be able to gain the intelligence that will allow them “to design new engagement programs, better products and services, and ultimately optimized processes” (Solis, 2011). Building on this approach, Woodcock et al. (2011, p. 253) claim that the social component adds more value to traditional CRM efforts by enhancing and creating new communication possibilities. Most importantly, the authors suggest that the addition of the ‘S’ to the traditional CRM can lead to other gains, such as increased customer engagement and customer acquisition. (2011, p. 253)

The important elements presented in this section are included in the SCRM definition developed by Dan Schleifer. Expanding on the definition proposed by author and social CRM expert Paul Greenberg, he presents Social Customer Relationship Management as a “philosophy and a business strategy supported

by a technology platform, business rules, workflow, processes, and social characteristics designed to prepare sellers for the best conversation and engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment” (2012, para. 1). Woodcock et al. (2011, p. 253) present the objective of SCRM as identifying, engaging and selling to customers by building a relationship with them.

Customer engagement emerges as a central element in the new version of CRM – the version that includes the social component. The “socialization of the CRM” (Solis, 2011) offers the opportunity for brands to engage with their customers and to nurture relationships that are equally beneficial for them and their customers.

2.4.2 Anticipated benefits of SCRM

The definition of the Social Customer Relationship Management strategy has given us an indication of the potential benefits, which will be detailed in this section. The work of a few authors has been considered and placed into four categories of potential benefits that will be presented here.

As mentioned earlier, adding the Social component to the existing CRM model has brought new opportunities in terms of communication, interaction and collaboration between the consumer and the brand. The establishment of an honest and authentic dialogue, on neutral ground, can enhance the customer’s experience and ensure that his needs are better fulfilled (Sashi, 2012, p. 254). Also, the use of social media offers the possibility for an asynchronous conversation, which frees the customers’ time and increases the firm’s efficiency (Orlikowski and Thompson, 2010, p. 5). This new online approach also “produces a visible, searchable, growing, and persistent repository of questions and resolutions, while also increasing the transparency and thus the accountability of all the parties involved in the conversations” (Orlikowski and Thompson, 2010, p. 3).

The benefits of the SCRM approach can also be financial in the form of higher revenues or cost reductions. Woodcock et al. (2011, p. 252) report that better customer engagement can lead to a growth in the number of high value customers, which can increase advocacy, retention and penetration and positively contribute to sales and market share. As Woodcock mentions, brands should “connect with consumers in the places where target consumers play and work, develop relevant conversations with those that show interest and convert them to win sales and advocacy” (Woodcock, 2011, p. 251). Moreover, Baird and Parasnis (2011, p. 30) claim that by getting closer to your customers you can reduce the firm’s costs and make some gains in terms of efficiency. Similarly, Orlikowski and Thompson (2010, p. 3) suggest that costs can be reduced by interacting with customers through social media, instead of

other channels. The authors also state that additional economies can come from listening to customer feedback to ensure that issues are not escalating and provide answers that will become a reference for many other customers.

Moreover, authors have underlined the possibility for brands to find new customers and to uncover new client segments through social media (Breslauer and Smith, 2009). This suggests that if the company is creating real value for customers online, they might gain additional fans along the way. Orlikowski and Thompson (2010) claim that SCRM can lead to growth in various ways, such as allowing “the firm to move in new markets, build new products and technologies, and develop new relations with (potentially different) customers and suppliers” (2010, p. 5).

Finally, by choosing to be part of the online conversation, the firm can have a positive impact on its reputation. The case of BT Group plc (BT) presented by Orlikowski and Thompson (2010) suggests that a company’s “reputation can be enhanced by engaging more directly with customers on social media sites” (2010, p. 4).

Although some of the benefits underlined in this section seem similar to the ones associated with CRM, one could argue that it is not the case. In fact, the CRM strategy has provided most firms with interesting benefits over the past decades. However, the context has changed and with customers taking control, SCRM seems like the best option for adapting the existing strategy and making the most of the current context.

2.4.3 Anticipated risks of SCRM

When SCRM was first being discussed, authors considered the potential risks of putting all of the company’s eggs in one basket by replacing the CRM approach with social media. Woodcock et al. (2011, p. 252) claim that this would have been a hazardous endeavour, as social networking sites (such as Facebook) may become less popular or close down, and the company might lose its database almost instantly. Also, the sites’ policies, which are beyond the firm’s control, could change and influence the way the firm and its customers are allowed to interact. Moreover, social media do not provide many opportunities for personalized messaging and there is a chance that, over time, other brands in the category will come up with a similar online approach. Finally, Woodcock et al. (2011) suggest that by ignoring Customer Relationship Management, businesses are losing an opportunity to better recognize and grow the number of high value customers through engagement, which would bring additional sales and market share over time (p. 252).

This perspective supports the idea that merging the social and the CRM components is the best way to ensure long-term success. But this begs the following question: Are there any risks or potential pitfalls associated with this new approach? Although the existing literature on the SCRM concept does not elaborate on this, it seems necessary to reiterate and consider the potential pitfalls of the CRM strategy. Moreover, practitioners and authors should consider the four factors “pertaining to strong relationships” (2012, p. 64) presented by Nguyen as important guidelines for future study and for the implementation of the SCRM approach. In fact, trust and commitment, satisfaction, symmetry and dependence, and fairness are still very relevant in the “era of social media” (Mangold and Faulds, 2009, p. 360) and perhaps even more so. While technology might allow firms to gain knowledge about their customers or to benefit from certain flaws in the protection of Internet users’ privacy, it does not seem like a good path to choose when it comes to building strong relationships with customers.

Furthermore, Baird and Parasnis (2011) claim that customers’ “willingness to engage with companies should not be assumed or taken for granted” (p. 31). They claim that most consumers interact only occasionally on social media and that more than half of them use it only to network with personal connections and do not consider engaging with brands. When consumers do engage with brands, they expect something tangible “in exchange for their time, endorsement and personal data” (p. 31). As well, Baird and Parasnis underline the “advocacy paradox”, which suggests that even though companies believe that social media will help to increase brand advocacy, most consumers feel that passion is a prerequisite for them to engage with a brand online. The authors also present their recommendations for success in SCRM. Baird and Parasnis (2011, p. 36) state that brands should “make the experience seamless across social media and other channels” and “start thinking like a customer” to “focus on giving [them] the value they seek”.

Finally, by looking closely at the case of BT Group plc and the implementation of the *Debatescape*, Orlikowski and Thompson (2010) presented “four primary challenges” of Social CRM. First, firms should ensure that their employees have the required skills and mindset to evolve in this online world. Next, brands should realize that “interacting on social media is very public and tends to be rapid, so the expectations of speed and responsiveness, as well as the tone of voice and politeness become accentuated and exacerbated” (Orlikowski and Thompson, 2010, p. 6). Third, BT managers underlined the unpredictability of the workflow and the vulnerability of the brand that is implementing a new SCRM system (Orlikowski and Thompson, 2010, p. 6). Finally, Orlikowski and Thompson (2010) point out the challenge that arises for firms as SCRM grows and transitions from a “pilot status to operational system” (p. 7).

This section suggests that, although the existing literature on SCRM is limited, a few important guidelines and recommendations have been presented in the literature. These details will certainly guide us in the next phase of this study. The next section will take a deeper look at the activities and tasks that are involved in the traditional CRM process, as well as the new Social Customer Relationship Management process.

2.4.4 Activities involved in CRM and SCRM

As mentioned earlier, authors have not yet agreed on a definition of the concept of CRM, therefore it is very difficult to find literature on the activities involved in the process. However, the article written by Woodcock et al. in 2011 presents the traditional CRM model, as well as the adjustments that should be considered to help companies reach their goals by including the social component in their models.

Woodcock et al. (2011, p. 253) suggest that the objectives of the SCRM should be similar to any CRM program and, which we previously described as “one or more of the following: to (1) identify, (2) engage with and then (3) sell to people within a target market through building a stronger relationship”.

The authors assert that in the CRM process, the firm requires data to identify, match, understand, predict, communicate, do business, personalize and engage (Woodcock et al., 2011, p. 254). The following section will review the information required in each stage of the model and look at the opportunities deriving from the integration of the social component.

First of all, in the traditional model, firms are looking for data to identify customers, prospects and people who would never buy anything from them (Woodcock et al., 2011, p. 254). At this stage in the process, firms can benefit by presenting “relevant content in the right place in the social cloud, [as] it will attract interest and may develop fans.” Then brands can engage with customers and listen to their conversations, “without ever having to identify them or manage them through a database” like they used to in the traditional process.

The next step in the CRM approach would have been to find additional information about customers (such as their full names, dates of birth, addresses and postal codes). However, the “ever-increasing numbers of potential records for every physical individual” and the fact that most people do “not want different versions of their existence to be joined together” (Woodcock et al., 2011, p. 255) increases the “importance of basing all activities on the permission concept” (p. 256). The authors suggest that, based on the willingness of the customer to share information, the firm should try to include one or more of the following details in a database: full name, date of birth, gender, address, social media handle, IP address,

email and mobile number. However, it is important to point out that the email address and the mobile number are more relevant than the physical address in the SCRM context.

The following step is related to understanding the consumer's attitude towards the brand. Traditionally, firms would use consumer research and panels to uncover their client's needs and feelings. Nowadays, brands have the opportunity to monitor, assimilate and understand their customers' "likes and dislikes, their thinking, their motivations and for some, their passions" (Woodcock et al., 2011, p. 257) through social networks. The authors suggest that by analyzing the customers' "self-motivated inputs" (Woodcock et al., 2011, p. 257), brands will acquire a more profound understanding of their preferences and interests.

In the next step of the CRM process, companies traditionally would have looked for the data to do business, which would consist of the information required to sell and get paid. In the SCRM context, this would involve joining the virtual and physical persona in order to process the payment, for example. This stage of the process could also be related to untraditional purchases or payment, using loyalty points through a mobile device for example.

The fifth step of the CRM process presented by Woodcock et al. (2011) concerns the data required to communicate with customers. A few years ago, companies would have been using their customers' contact information (with their consent) to communicate on specific occasions such as their birthday, an inquiry or a new purchase. In today's new context, a brand can interact in "real-time [,] based on a 'signal' or 'event' from a social media transaction", which could be a product review, a blog post or a 'check-in' update (Woodcock et al., 2011, p. 258). The authors suggest that firms should consider the influencers "as a strategic asset for the brand and a key source of competitive differentiation" (Woodcock et al., 2011, p. 259). By identifying the influencers (through Klout for example), evaluating their potential impact and managing them as high-value customers, the firm could ensure significant gains.

The next step refers to the personalization of the relationship, which traditionally implied that the firm had information about the customer's socio-geo-demographic characteristics and previous dealings with the organization. However, Woodcock et al. (2011) believe that "personalization is less important in the world of social media than in the world of CRM" as "it is difficult to personalize in the social cloud" (p.260). The authors suggest that firms should direct their personalization efforts at the brand's Web/mobile site using the "information known about individuals and their social media personas" to create an environment that represents the customers' preferences (p. 260).

The seventh stage in the CRM process is related to the prediction of customers' key behaviours through propensity modeling for example. However, Woodcock et al. (2011) suggest that in the context of SCRM, "social media containers will enable a better understanding of the behaviors and attitudes of the individual" (p. 260). For example, a consumer's negative tweet could "help predict a future defector" (p. 260). This suggests that social media monitoring could allow brands to anticipate client behaviour better than traditional modeling tools.

Finally, the last step in the traditional CRM process requires the firm to obtain information about personal interests and lifestyle in order to engage with customers. One of the benefits of the social environment is that it allows the customers interested in developing a relationship to self-identify. Some companies, such as Coca-Cola and Starbucks have also launched some initiatives that can rank customers' engagement by valuing (in terms of points, for example) their comments and votes on, or visit to, the website.

Other authors have looked at the activities that are part of the CRM process. For example, Tuzhilin (2012) presents a list of actions that are aimed at getting, keeping and growing the best customers. The list includes "recommending products or services", "presenting information to the user" in the form of "ads, links and targeted content", "sending information" via e-mail and SMS or "sending products" "such as a free gifts, a sample or a real product", "subscribing the customer for some service", "offering different types of loyalty programs" or "connecting a customer with another person" (p. 589). Another point of view is provided in the 2012 article written by Nguyen, where the author refers to CRM schemes, such as "bonus and loyalty programs, dynamic pricing, service quality programs, value offers and deals, social media websites and Internet blogging as ways to create buyer-seller interactive relationships (Nguyen, 2012, p. 58)." Other authors have turned their attention to the information management process. For instance, Payne and Frow (2005) pointed out the importance of the "data repository to provide a powerful corporate memory of customers" (p. 173), which was also outlined by Woodcock et al. in the second stage of the CRM process.

Looking at the SCRM process, Reinhold and Alt present four types of social media usage in SCRM activities (2012, p. 157): provision of context, analysis of content, channel for transactions and platform for cooperation. More precisely, the authors suggest that social media will serve as a communication channel in the context of marketing campaigns and provide information about the products and the brand. Also, social media will allow brands to "discover, expand or evaluate knowledge" of consumers. Finally, SM can become a "service platform or a sales channel" as well as a place for users to collaborate in order

to create new products (p. 157). Furthermore, Reinhold and Alt (2012, p. 161) point to “three SCRM processes that link activities in social media with tasks in the CRM process”: the monitoring, interaction and management processes.

When considering the restaurant industry specifically, Hyun (2010) suggests that, over the past decades, businesses have been investing more “resources into relationship quality management” (p. 252). The author points out that restaurant owners are now collecting information about the customer with the point-of-sale system, as well as with comment cards. The information is then often stored in a database and used “for strengthening customer relationships (e.g., providing incentives to frequent diners, dissemination of points for purchases, mailing birthday cards, special offers, free gifts, promotions, events, complaint handling)” (Hyun, 2010, p. 252).

This section has allowed us to present the activities associated with the CRM and SCRM processes. However, in order to use this information appropriately, it seems necessary to consider the specificity of the restaurant industry, as it is the main focus of this study.

2.5 Restaurant industry

Existing literature on the restaurant industry is scarce and the number of relevant articles is limited. In fact, most restaurants are independently owned and operated. Therefore, limited resources are rarely invested to gain a better knowledge of the sector. For that reason, industry associations are an important source of statistics and they are often responsible for forecasting and presenting current trends to business owners. That is why the statistics from the *National Restaurant Association* (United States) and the *Association des restaurateurs du Québec* (Quebec, Canada) will be compared for a better understanding of this industry.

2.5.1 Portrait of the restaurant industry in Quebec and in the United States

The National Restaurant Association website presents a detailed portrait of the American restaurant industry. At over 683.4 billion dollars per year, restaurant industry sales represent 4% of the U.S. gross domestic product. The NRA states that restaurant industry sales increased by 3.6% over the past year or 1.2% in real, inflation-adjusted terms. There are close to a million restaurant locations in the United States and more than 13.5 million employees, which represents 10% of the total American workforce. Also, the National Restaurant Association states that 9 out of 10 restaurants have fewer than 50 employees and that 70% of restaurants are single-unit operations.

The restaurant industry also plays a major role in the economic development of Quebec, with more than 20,000 restaurants operating in the different regions. In fact, the province has the highest number of independently owned and operated restaurants in Canada, with the highest concentration in the Montreal region. In 2012, the restaurant industry generated more than 10 billion dollars in revenues, a 4.8% increase compared to the previous year. The percentage for the inflation-adjusted increase in sales for Quebec (1.2%) is exactly the same as in the United States. Moreover, the industry employs 235,000 Quebecers, which represents 21.4% of the Canadian workforce in the sector, with 55.7% of them working in small businesses (less than 10 employees). The survival rate in the Quebec restaurant industry is quite low, with only 29% surviving the first five years and 15.3% remaining open after 9 years.

2.5.2 Current trends in the restaurant industry

In a recent article, O'Boyle (2012) wrote that "for many people, dining out has not been on the menu since the recession." In fact, this study suggest that 46% of Americans are spending less than they did a year ago, and 35% of respondents claim that the changes in their spending habits are permanent (O'Boyle, 2012). This new reality suggests that consumers are now evaluating their spending choices more carefully. O'Boyle (2012) also adds that, in the current context, brands that will be able to engage with consumers will be in a better position than their competitors.

O'Boyle (2012) also claims that spending decreased in both the fast-food and the casual dining segments, that customer engagement is a great indicator of frequency of patronage and spending, and that the "overall customer engagement levels for the fast-food and casual dining industry [is] mostly below average compared to Gallup's (2009) database of general customer engagement" (O'Boyle, 2012). Moreover, this study suggests that "fully engaged casual dining customers spend 12% more than customers who are not engaged and 25% more than an actively disengaged customer" (O'Boyle, 2012). The author writes that for the casual diners, "value for money" is the most important factor in driving customer engagement. O'Boyle adds that "being treated like a valued customer" and "taste of food" are determinant factors of customer engagement scores.

O'Boyle's work suggests that customer engagement should be considered seriously when it comes to improving performance in the restaurant industry. Consequently, the next section will review the existing literature on the topic.

2.5.3 Customer engagement in the restaurant industry

The customer engagement concept is central in this study. Although the concept is fairly recent, an interesting number of studies have been presented in the previous section, but very few relate directly to

the restaurant industry. A significant part of the research conducted in the past decade looks at the importance of customer satisfaction in the restaurant industry. Bowden (2009), for instance, states that research “continues to rely on the historically dominant customer satisfaction paradigm as the most effective method with which to evaluate service experiences at the expense of other relational mediators such as involvement, calculative commitment, affective commitment, and trust (p. 574).” Moreover, authors such as Oliver (1999), Fournier and Yao (1997) have argued that the satisfaction construct measures only the rational value of the experience and that it does not take into account the psychological meaning for customers. Bennett and Rundle-Thiele (2004, p. 520) also suggest that it would be “prudent for managers not to rely exclusively on satisfaction scores to predict actual purchase.” According to Mittal, Katrichis and Kumar (2001), this is even more relevant in the hospitality and restaurant industries, as the process behind customer loyalty is mostly unexplained.

When looking at the restaurant industry, Mattila (2001; 2006) and Kivela, Inbakaran, and Reece (2000) suggest that an affective commitment is determinant in establishing customer loyalty. In fact, Mattila (2001, p. 73) mentions that “the loyalty that restaurateurs really seek involves attitudinal, behavioral, and emotional commitment to the restaurant.” This perspective is supported by Bowden (2009, p. 579-580) who points out that “the fostering of a sense of affective commitment, involvement and trust seems critical to the development of a sustainable customer-brand relationship” (p. 592). In the same article (2009), Bowden developed and presented a conceptual model that illustrates the customer engagement process in the restaurant industry.

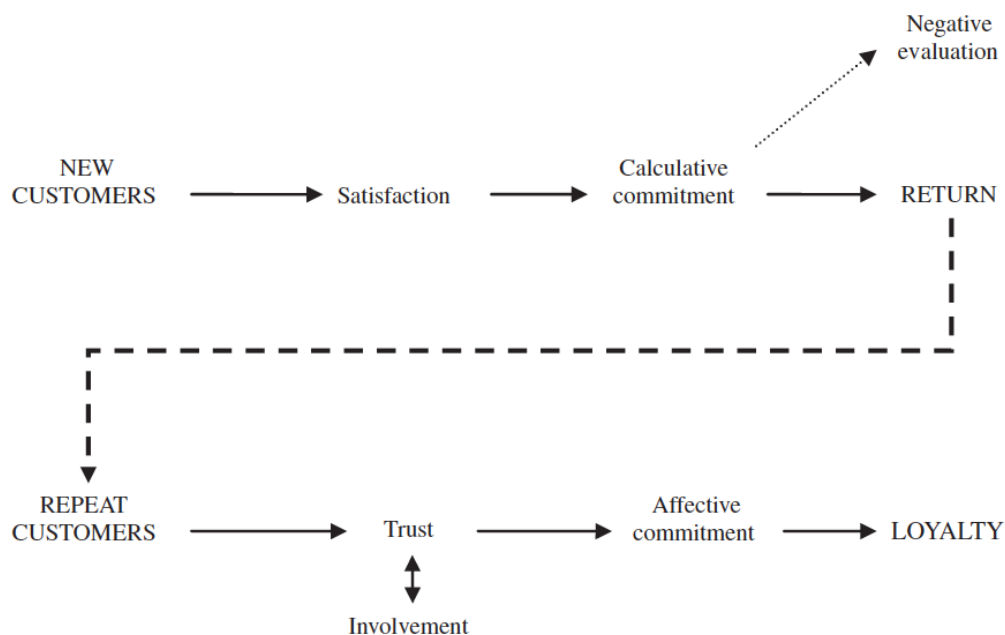


Figure 1: Conceptual model of the process of customer engagement presented by Bowden (2009)

This study suggests that “for repeat customers, personal interaction, a sense of rapport between the client and staff, and a recognition that the customer is important to the business, featured heavily in the establishment of affective bonds and subsequently led to a sense of ongoing loyalty” (Bowden, 2009, p. 592). This view is in line with Brodie et al.’s (2011) multidimensional definition of customer engagement.

These articles underline the importance of customer engagement in the restaurant industry and the next section will take a deeper look at the potential benefit of CE in the restaurant industry.

2.5.4 Impacts of customer engagement on the restaurant industry

While the body of research on customer engagement in the context of the restaurant industry is limited, the following interesting study was found. A recent multi-year study by Gallup (2009, p. 4) considered the impact of consumer engagement on the casual dining industry. The results clearly demonstrated that the restaurants with the highest engagement ratios surpassed the overall industry in terms of growth. For example, by raising its ratio of engaged customers from 5.4:1 to 7.2:1, a restaurant grew its overall sales by 30%. Conversely, by dropping its engagement ratio from 0.63:1 to 0.46:1 over a 2-year period, another restaurant saw its sales diminish by 2%.

The study by Gallup (2009) is an interesting starting point for other authors, but it is clearly not sufficient to confirm the impact of customer engagement in the restaurant industry.

2.6 Conclusion of the literature review

The evolution of the Web has introduced a new context in which consumers are taking control and getting more and more involved in the creation process. Parallel to the evolution of communication and information technologies was the rise of the customer engagement concept.

This paper looks at Customer Relationship Management (CRM) and, more specifically, considers Social CRM as a potential tool to increase customer engagement. The addition of the social component is really what has allowed us to connect the dots between the current technological context, the role that customers have taken in the “era of social media” (Mangold and Faulds, 2009, p. 360) and the opportunity for a firm to encourage customer engagement by building authentic relationships online.

After conducting a thorough literature review, the next steps in this study become clearer. In fact, based on the state of research on the restaurant industry, and in the current context, Social Customer Relationship Management seems to be the best available solution for increasing customer engagement.

Also, considering the limited amount of research and the few resources available in the restaurant industry, it seemed necessary to offer practitioners and restaurant owners some real insight. By creating a questionnaire for use by customers, and by carefully analyzing the results, this study might allow restaurateurs to clarify their customers' needs, establish some guidelines to setup their own SCRM and most importantly, evaluate the potential results of such a measure.

3. Research design and methodology

This section looks at the methodology and the research design that will be applied in the context of this study. First, we will be looking at the target restaurant, then the SCRM program will be explained and the methodology will be presented.

3.1 Target restaurant

3.1.1 InterContinental Hotels and Resorts

The InterContinental Montreal is part of the InterContinental Hotels and Resorts chain and it is one of 170 hotels in over 60 countries. The hotel is located at the gateway of downtown and Old Montreal, at 360 St-Antoine Street West, in front of the Montreal Convention Centre and the Stock Exchange Tower. The property is in the heart of Montreal's International District and it is directly connected to the Montreal World Trade Centre and the underground city. This hotel offers various services to its guests, including the Sarah B. bar and the *Oscó!* restaurant. Both establishments are located within the InterContinental Montreal and have been open since 2009.

3.1.2 *Oscó!* restaurant and Sarah B. bar

The *Oscó!* restaurant is open 7 days a week, from 6:30 am on weekdays or 7:30 am on the weekend until 11:30 pm. The restaurant serves breakfast (buffet and *À la carte*), lunch and dinner. As for the Sarah B. bar, it is open every day from 4 pm to midnight for cocktails and light suppers.

The breakfast clientele consists mainly of hotel guests (business or leisure travellers), but it also includes a certain number of local business professionals coming in before work or for morning meetings.

Moreover, over the last five years, the *Oscó!* restaurant has managed to develop a steady lunch clientele from the professionals working in the neighbourhood. The demand is seasonal, which means that during the fall, winter and spring seasons, the restaurant is far busier, as local patrons appreciate the fact they can access the restaurant through the underground walkways, without having to go outside. This attribute is specific to the restaurant's location and it is quite rare amongst the competition. On the other hand, during

the summer season, *Oscó!* restaurant has to compete with eateries serving lunch on outdoor terraces, as well as the new food trucks offering delicious food for a meal in the park.

At the end of the workday, professionals and business travellers away from home often gather at the Sarah B. bar for a drink. The location of the bar, near the hotel lobby, makes it appealing for hotel guests who are looking for a place to enjoy a drink before dinner or a night in town. However, the bar and the restaurant are usually least busy at night. In fact, the number of activities in Montreal and the number of great restaurants in the neighbourhood make it difficult for both establishments to compete. Hotel guests are often looking for opportunities to explore the city and find the most authentic Montreal experiences.

As for Montrealers, many of them have never heard of *Oscó!* or Sarah B., due to sparse marketing initiatives and the fact that the restaurant and the bar are not visible from the street. Finally, potential clients might have the wrong perception of the services offered. In fact, it is possible that some customers expect the restaurant to be overpriced and too formal, due to the fact that both establishments are located in a luxury hotel.

3.1.3 Financial situation

The financial situation of the restaurant is acceptable, with 60,836 covers and \$1,713,294 in revenues in 2013. This 0.6% growth in revenue compared to the previous year is less than the Quebec and US averages. With 57,917 covers and \$1,702,515 in revenues for 2012, the situation of the restaurant has been relatively stable over the past two years. The average client spent \$23.84 per visit in 2012 and \$23.33 per visit in 2013, which represents a 2.2% decrease from one year to the next. (Note that these amounts do not include beverage expenses.) When looking at the statistics provided by restaurant management, we notice that the breakfast revenues increased by 9.6% (from \$549,264 to \$601,819 in 2013), whereas the lunch revenues decreased by 4.3% (from \$397,411 to \$380,129 in 2013). Moreover, the number of covers for breakfast rose by 14.4%, while the number of lunch covers fell by 9.4%. During this period, dinner revenues and covers remained quite stable. Overall, the restaurant has lost \$90,710 in the past year (compared to a loss of \$62,644 in 2012).

The situation is a little different for the bar, with \$698,109 in revenues for 2013, a 1.9% increase in revenue compared to 2012 (\$685,075). The average amount spent on food by Sarah B. customers was \$21.51 in 2012; this dropped to \$20.96 in 2013 (-2.6%). Although the average amount spent per cover diminished, the total number of covers increased by 1.1% from one year to the next. This increase in the number of covers, coupled with a major reduction in bar expenses, produced a 16.9% increase in Sarah B. bar profits (from \$229,108 in 2012 to \$267,811 in 2013).

3.2 SCRM program

After a thorough literature review, the design phase was implemented in order to create a SCRM program that could be tested in a real restaurant setting. This program includes three different interfaces: for clients, employees and administrators, as described in the next sections.

3.2.1 Customer interface

The first interface has been designed for customers and allowed them to create their own profile and look at the state of their account. The registration process required the client's name, phone number and e-mail, as well as a personal identification number (PIN). In a second phase the client had the option to add additional information to the profile, in exchange for bonus points from the reward program. For example, the client was rewarded for adding the name or the address of his company to his/her profile, and by connecting his/her profile with his/her social media accounts. The social media integration allowed customers to share the rewards from which they benefited and the special events that they attended with their friends. Also, the program allowed customers to unlock special rewards and benefits by visiting the restaurant or the bar with other members of the reward program. Moreover, from the portal on the website, the customer was able to see the number of reward points accumulated, as well as the number and the dates of the visits. Based on the current level of reward points, each client saw various rewards unlocked on a personal dashboard. The system also allowed co-creation and each customer was able to create their own reward and submit it to the administrator for approval. Finally, the reward program included a sharing component, which let the guest communicate directly with the restaurant in order to share feedback, make some suggestions to improve the quality of the experience or request a phone call following a satisfactory or unsatisfactory visit to the restaurant.

3.2.2 Restaurant interface

The second interface was used by fulfilment staff for the daily transactions with customers. Since the SCRM cannot be directly connected to the point-of-sale system, the number of steps involved in the fulfilment of the reward points had to be kept to a minimum. In fact, upon arrival at the restaurant or the bar, members either state their phone number or showed a membership card with a unique number. In order to validate the member's identity or the membership card, each waiter and bartender carried a small device (an iPod Touch). The small electronic device allowed the waiter or bartender to confirm the customer's membership by scanning the card or entering the 10-digit number. Upon completion of this first step, the restaurant staff confirmed the customer's membership status and determined whether he/she is eligible for any progressive rewards (such as a 10% discount on food and beverage). Then, once the meal had ended, the waiter only had to complete the transaction by adding the amount spent and by answering a few additional questions that provided data for more accurate segmentation (product

consumed, preferences, etc.). The points were added automatically based on the pre-determined points per dollar ratio.

3.2.3 Administrator interface

From the administrator's point of view, it was possible to create various rewards, based on criteria such as: duration (progressive or one-time), type (special event access, consumable or other), beginning and end date, point cost (which could be none) and required point threshold (or number of visits) to view the rewards. The administrator was also able to see each member's account as well as the accounts of the fulfilment staff with a list of the transactions completed and the points awarded. Furthermore, the administrator's dashboard included a complete list of current and past rewards with associated statistics.

3.3 Methodology

The goal of this study was to implement the SCRM platform in the target restaurant and to evaluate the impact on various indicators. Therefore a questionnaire was built and pretested among a sample of 10 hotel employees and people from outside the company. Then, in a second phase, the questionnaires were handed out to a convenience sample of restaurant patrons, to paint a detailed portrait of the situation prior to the implementation of the Social Customer Relationship Platform. In exchange for their participation, the customers who agreed to participate in the study were offered a \$10 discount on their next meal, and were entered in a draw for a gift certificate. Then the SCRM platform was implemented and a second phase of questionnaire was handed out to the members participating in the survey using the SCRM platform (in exchange for some additional points) in order to confirm (or invalidate) the impacts of the system on specific customer behaviours and financial indicators.

3.3.1 Model

The main purpose of this study was to establish a link between the development and introduction of a Social Customer Relationship Management system and any increase in customer engagement.

Based on the literature review and on the article written by Vivek et al. (2012), Bowden (2009) and Mattila (2001, 2006), a complete model was developed. In fact, when Bowden (2009) developed the "conceptual framework for the process of engagement" (p. 66) in the restaurant industry, she considered some determinant factors such as satisfaction, calculative commitment, trust, involvement, affective commitment and behavioural loyalty. These concepts were also included in Mattila's studies, which are also specific to the restaurant and hospitality industries (2001, 2006). Moreover, the theoretical model of customer engagement, presented by Vivek et al. (2012) and included below, suggests that customer engagement has a positive impact on variables such as trust, affective commitment, word of mouth and loyalty.

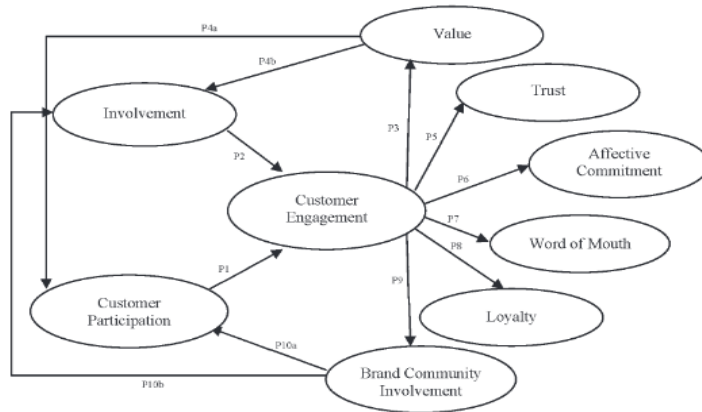


Figure 2: Theoretical Model of Customer Engagement presented by Vivek et al. (2012)

These similar perspectives have been considered in order to create a complete and detailed model that presents the impact of customer engagement on many variables. Finally, the last step were to test the impact of customer engagement on variables such as revenue growth ratios, sales, frequency of visit, profitability, satisfaction, intentions to revisit, money spent per visit and word-of-mouth referral. The conceptual model is presented below.

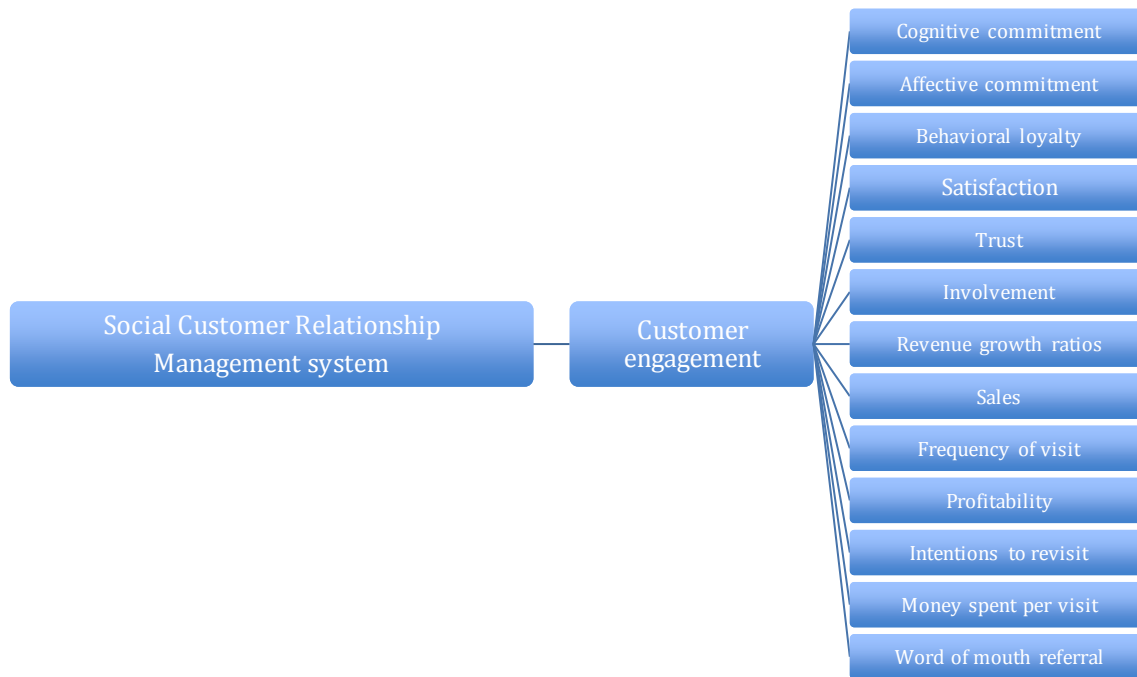


Figure 3: Conceptual model

3.3.2 Operationalization of constructs associated with the model

The questionnaire was divided into several sections.

The first part evaluated customer engagement and used the 11-item scale used by Gallup (2009) in many

of the studies that we referred to in the literature review. This part of the questionnaire should determine the current level of engagement of the customer based on four key attributes: confidence, integrity, pride and passion for the brand.

The second section of the questionnaire looks at the customer's cognitive and affective commitment, as well as loyalty, customer satisfaction, trust, word of mouth and involvement.

The first three measurements used in this section were derived from the article written by Mattila (2001). Cognitive commitment, which "mirrors the customer's brand beliefs" (2001, p. 75), is measured by three items, seven-point Likert-type scale). Also, the author suggests that the affective commitment is reflected in "the consumer's emotional attachment to the service provider" (Mattila, 2001, p. 75) and it is measured with six Likert-type scale items. As for loyalty scale, it is "composed of four items" (e.g., saying positive things about the restaurant to other people, recommending the restaurant to someone looking for advice; Mattila, 2001, p. 76).

In a study about the restaurant industry, satisfaction was measured using the three items employed by Kim et al. (2006). Moreover, the five-item measurement scale for trust and the two-item measurement scale for word of mouth were derived from the same article (Kim et al., 2006).

The 17-item involvement scale was adapted from Skogland and Siguaaw (2004).

As for the other measurements, they were compared with existing data from restaurants or the industry. For example, revenue growth ratios was compared with the industry average, whereas sales and profitability were compared with results from previous years. As for the money spent per visit, it was evaluated based on the amount spent by the average customer.

As mentioned previously, when consumers are sharing personal information as well as time, they expect to receive certain benefits in exchange (Baird and Parasnis, 2011, p. 31). Therefore, the third section looks at what customers would expect to get in exchange for sharing data with the restaurant. This part of the process seems to be essential for the SCRM to be transparent and fair towards customers.

Next, the questionnaire looked at the customer's Internet and social media usage, in order to reach customers wherever they may be and establish potential points of contact in order to build the relationship with the brand. Finally, the last section includes a few basic socio-demographic questions.

(Refer to Appendix D for a complete version of the questionnaire.)

3.3.3 Hypotheses

Based on the prior literature and the work of Vivek et al. (2012), we expect the following relationships between consumer engagement and consumer responses:

- H1: Customer engagement is positively associated with
- a. cognitive (or calculative) commitment
 - b. affective commitment
 - c. behavioural loyalty
 - d. satisfaction
 - e. trust
 - f. word-of-mouth referral
 - g. involvement

Also, we expect additional outcomes to be impacted by customer engagement that arises from the introduction of a SCRM system. We therefore hypothesize:

- H2: The introduction of a SCRM system is positively associated with
- a. revenue growth ratios, which are expected to be superior to the industry average.
 - b. sales, which are expected to increase by a greater percentage than the two previous years.
 - c. frequency of visit.
 - d. profitability, which is expected to be greater than the two previous years.
 - e. intentions to revisit.
 - f. money spent per visit, compared to the average customer.

Because many of the relationships posited in H2 rely on organization-level (rather than consumer-level data), we were unable to test the mediating role of consumer engagement. Instead, we compared aggregate consumer responses across two consumer samples or the organizational performance data (e.g., sales, profitability) over time (pre and post-SCRM implementation).

3.3.4 Pre-test and questionnaire revision

The pre-testing phase was conducted with employees from the InterContinental Montreal hotel administration offices, as well as personal contacts not working in the hotel or restaurant industry. This

process was fairly quick and the comments provided by the testers helped to eliminate grammatical errors and locate some inconsistencies in the questionnaires (such as missing answers or the addition of a not-applicable box).

The testers felt the questionnaire was simple and easy to understand. They did not encounter any issues and we noted that an average of 10 minutes was required to complete the questionnaire. Many of the respondents mentioned that they felt the questionnaire was too long and that several questions seemed to have a similar meaning. Also, some of them appeared to be taken aback by the questions related to the “Customer Engagement (Passion)” and “Affective commitment” variables. Hotel employees, especially, felt the wording was too strong and that none of our customer would identify with sentences such as “I can't imagine a world without *Oscó!* restaurant or Sarah B. bar.”

The decision was made not to reduce the size, nor modify the questions included in the questionnaire. In fact, as previously discussed, all the questions included in the questionnaires were based on existing and validated scales and it seemed essential to keep the integral scales in order to confirm their validity in the context of this study.

Therefore, grammatical errors were corrected and minor adjustments were made to the questionnaire, but all the questions were kept.

3.3.5 First round of data collection

The first round of data collection started in July 2014 at the *Oscó!* restaurant and the Sarah B. bar. Customers were asked to fill in a paper version of the survey when visiting for a meal or a drink. When guests sat down, the host or hostess would ask them if they were interested in participating in the study in exchange for a \$10 credit on their meal and the chance to win a gift certificate for a one-night stay at the InterContinental Montreal. Some customers accepted and took the time to fill out the survey while eating alone or waiting for a guest; however most customers refused or left the document uncompleted after their meal. Therefore, in order to speed up the process, we targeted frequent hotel guests and sent an e-mail with a link to the survey to clients who had visited the restaurant or the bar at least once. In the end, the team received 75 completed surveys by the end of October 2014.

3.3.5.1 Obstacles and difficulties associated with the first round of data collection

As mentioned in the previous paragraph, the restaurant and bar staff managed to collect 75 completed surveys in four months. In order to present an accurate portrait of the process, it seems necessary to present the main obstacles that were encountered in that part of the study. In fact, the first round of data

collection turned out to be lengthier than expected. Some of our hosts and hostess were more comfortable than others presenting the project, explaining the benefits for the customers and asking them to fill out the survey. For example, although they had received the same script, the young and outgoing hostesses had more success than the restaurant manager with male executives, who represent a large portion of our customer base. Also, many customers took the survey with the intention of completing it, but were discouraged by the length of the document and left it on the table uncompleted.

3.3.5.2 Potential bias

In this section, some potential sources of bias will be discussed. First of all, the time required to complete the questionnaire, based on its relative length, can be considered a potential source of bias. Some could argue that only the most engaged customers would take the 10 minutes to fill out the survey.

Also, there is a chance that customers filled out the survey in order to receive the credit. Therefore, questionnaires were verified in order to detect any odd response pattern and nothing suspicious was detected, which leads us to believe that the customers completed questionnaires in good faith.

Finally, since we contacted some customers directly, we should mention that the frequent hotel guests we reached out to have very different habits when visiting the hotel restaurant and visiting the bar. Some of them eat in the restaurant frequently, whereas others very rarely use that service. For that reason, we felt that this sampling method would replicate the situation we had in the restaurant, where customers with different habits would be asked to fill out the survey.

4. First questionnaire analysis

4.1 Validation of the scales

In the first part of this analysis, the scales used in the context of this study were tested. The goal of this process was to confirm their reliability using the alpha coefficient.

4.1.1 Customer engagement

Gallup's (2009) customer engagement scale was first considered and the alpha coefficient for the 11 items of this scale was .91. This result suggests a high level of internal consistency. However, looking closely at the item-total statistics, we notice that the internal consistency could increase by removing the 11th item of the scale (GalPass11). This result is consistent with some of the comments we received in the pre-testing phase, where employees mentioned that this affirmation might be a little extreme.

Table 1: Reliability statistics customer engagement scale (first sample)

Reliability Statistics

| | |
|------------------|------------|
| Cronbach's Alpha | N of Items |
| .911 | 11 |

Table 2: Item-total statistics customer engagement scale (first sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| GalOvSat1 | 41.20 | 33.600 | .581 | .907 |
| GalOvSat2 | 41.00 | 32.281 | .660 | .903 |
| GalOvSat3 | 41.00 | 30.719 | .746 | .898 |
| GalConf4 | 41.15 | 31.320 | .742 | .898 |
| GalConf5 | 41.28 | 30.047 | .783 | .895 |
| Gallnt6 | 41.03 | 30.312 | .806 | .895 |
| Gallnt7 | 41.14 | 30.652 | .671 | .902 |
| GalPride8 | 41.26 | 29.352 | .818 | .893 |
| GalPride9 | 40.95 | 31.170 | .779 | .897 |
| GalPass10 | 41.43 | 30.562 | .737 | .898 |
| GalPass11 | 42.25 | 36.688 | .044 | .934 |

4.1.2 Affective commitment

Next we tested the three scales derived from Mattila's article (2001). The affective commitment scale presented an alpha coefficient of .83 and each of the six items contributed to increasing the scale's internal consistency.

Table 3: Reliability statistics affective commitment scale (first sample)

Reliability Statistics

| | |
|------------------|------------|
| Cronbach's Alpha | N of Items |
| .831 | 6 |

Table 4: Item-total statistics affective commitment (first sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| AffCom12 | 24.69 | 18.310 | .617 | .801 |
| AffCom13 | 24.45 | 19.001 | .554 | .814 |
| AffCom14 | 24.46 | 17.346 | .671 | .789 |
| AffCom15 | 24.74 | 19.102 | .601 | .805 |
| AffCom16 | 24.82 | 17.747 | .697 | .784 |
| AffCom17 | 24.31 | 19.154 | .487 | .828 |

4.1.3 Cognitive commitment

The cognitive commitment scale (Mattila, 2001) presented a slightly lower alpha coefficient (.78), but all three items brought additional value to the three-item scale. Also, the internal consistency of the scale seemed acceptable considering the number of items it included.

Table 5: Reliability statistics cognitive commitment scale (first sample)

| Reliability Statistics | |
|------------------------|------------|
| Cronbach's Alpha | N of Items |
| .778 | 3 |

Table 6: Item-total statistics cognitive commitment scale (first sample)

| Item-Total Statistics | | | | |
|-----------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| CogCom18_R | 9.3433 | 5.744 | .569 | .748 |
| CogCom19 | 8.9403 | 5.542 | .602 | .713 |
| CogCom20_R | 9.2985 | 5.303 | .674 | .634 |

4.1.4 Customer loyalty

The third scale from Mattila (2001) included four items to measure customer loyalty. The alpha coefficient (.84) indicated a high level of internal consistency, but a closer look at the item-total statistics revealed that the fourth item did not bring additional value to the scale. In fact, by removing the fourth item (I consider *Oscor!* restaurant/Sarah B. bar my first choice to buy dining services.), the value of the Cronbach's alpha would increase by .05.

Table 7: Reliability statistics customer loyalty scale (first sample)

| Reliability Statistics | |
|------------------------|------------|
| Cronbach's Alpha | N of Items |
| .837 | 4 |

Table 8: Item-total statistics customer loyalty scale (first sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| LoyalBe28 | 16.18 | 6.894 | .710 | .776 |
| LoyalBe29 | 16.25 | 6.519 | .790 | .740 |
| LoyalBe30 | 16.62 | 6.389 | .749 | .756 |
| LoyalBe31 | 17.18 | 7.700 | .454 | .886 |

4.1.5 Satisfaction

Three other scales were derived from Kim et al. (2006). The three-item satisfaction scale presented a high level of internal consistency with an alpha coefficient of .84 and removing one of the items would not have increased this value.

Table 9: Reliability statistics satisfaction scale (first sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .837 | 3 |

Table 10: Item-total statistics satisfaction scale (first sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Satis21 | 8.333 | 1.979 | .652 | .821 |
| Satis22 | 8.394 | 1.596 | .804 | .666 |
| Satis23 | 8.667 | 1.703 | .657 | .821 |

4.1.6 Trust

The trust and word-of-mouth scales were based on Kim et al. (2006), but they did not present the same level of internal consistency. First, the alpha coefficient for the trust scale was at .72, which is considered acceptable in a social science study. The item-total statistics showed that the third item (Trust26_R, a reverse item) did not help to increase the scale reliability.

Table 11: Reliability statistics trust scale (first sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .715 | 4 |

Table 12: Item-total statistics trust scale (first sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Trust24 | 12.1515 | 3.423 | .583 | .619 |
| Trust25 | 12.0758 | 3.425 | .508 | .652 |
| Trust26_R | 12.3182 | 3.205 | .367 | <u>.752</u> |
| Trust27 | 11.8636 | 2.827 | .609 | .581 |

4.1.7 Word of mouth

As for the word-of-mouth scale (Kim et al., 2006), it included only two items and it presented an acceptable level of internal validity with an alpha coefficient of .73.

Table 13: Reliability statistics word of mouth scale (first sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| <u>.727</u> | 2 |

4.1.8 Involvement

Finally, the involvement scale included a greater number of items (17) and it presented the lowest alpha coefficient (.70). When looking at the item-total statistics, it seems clear that Invol43_R, a reverse item, had a negative impact on the reliability of the scale. In fact, removing this item would significantly increase the Cronbach's alpha value to .74.

Table 14: Reliability statistics involvement scale (first sample)

| Reliability Statistics | |
|-------------------------------|------------------|
| Cronbach's Alpha | N of Items |
| <u>.698</u> | <u>17</u> |

Table 15: Item-total statistics involvement scale (first sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Invol32 | 51.5690 | 44.285 | .309 | .684 |
| Invol33 | 52.0690 | 43.434 | .317 | .682 |
| Invol34 | 52.1897 | 40.893 | .340 | .679 |
| Invol35 | 52.0517 | 40.787 | .393 | .672 |
| Invol36_R | 52.6034 | 47.226 | -.015 | .713 |
| Invol37 | 51.9138 | 40.150 | .484 | .661 |
| Invol38 | 51.5172 | 43.342 | .325 | .682 |
| Invol39 | 52.3621 | 38.972 | .604 | .647 |
| Invol40 | 52.0345 | 36.701 | .630 | .635 |
| Invol41 | 51.5517 | 43.374 | .269 | .687 |
| Invol42 | 51.2931 | 41.649 | .451 | .668 |
| Invol43_R | 51.1897 | 48.788 | -.147 | <u>.741</u> |
| Invol44 | 51.4483 | 44.778 | .220 | .691 |
| Invol45 | 50.7069 | 48.035 | -.080 | .715 |
| Invol46 | 51.5172 | 43.517 | .299 | .684 |
| Invol47 | 51.4655 | 42.850 | .347 | .679 |
| Invol48 | 51.6897 | 44.148 | .185 | .697 |

This analysis of the various scales suggests that the measurements used in the context of this study were reliable. However, it is reasonable to add that making a few minor adjustments, such as removing items, could increase the internal reliability of the scales.

4.2 Client profile

The last section of the questionnaire included various questions allowing us to establish profiles of the respondents. The results will be presented and analyzed in this part of the study.

4.2.1 Frequency of the visits

First of all, customers were asked how often they visited the *Oscor!* restaurant/Sarah B. bar. The frequencies presented in the table below suggest that clients with different profiles completed the survey. In fact, 11.8% of the customers visit the restaurant or the bar once a year or less, the majority (32.4%) come a few times per year, 25% visit *Oscor!* Or Sarah B. once a month and 11.8% come once a week. The other 19.1% of patrons visit a few times per week or more. These results suggest a balanced representation, since it was not only the regular customers who took the time to fill out the survey.

Table 16: Frequency table (question 51, first sample)

| FVisIVis51 | | | | | |
|---|---------------------------------|-----------|---------|---------------|--------------------|
| How often do you visit <i>Oscos!</i> restaurant/Sarah B. bar? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Once a year or less | 8 | 10.7 | 11.8 | 11.8 |
| | 2 – A few times per year | 22 | 29.3 | 32.4 | 44.1 |
| | 3 – Once a month | 17 | 22.7 | 25.0 | 69.1 |
| | 4 – Once a week | 8 | 10.7 | 11.8 | 80.9 |
| | 5 – A few times per week | 11 | 14.7 | 16.2 | 97.1 |
| | 6 – Everyday or almost everyday | 2 | 2.7 | 2.9 | 100.0 |
| | Total | 68 | 90.7 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| Total | | 75 | 100.0 | | |

When it comes to their intention to revisit, most of the customers (90.9%) were planning on coming back at some point in the future. Most said they would be back within the next few months (36.4%) or this month (24.2%). Only 9.1% of the respondents said they were uncertain they would come back. Again, these results seem to present a balanced representation of the customers' intentions to revisit.

Table 17: Frequency table (question 52, first sample)

| FVisIVis52 | | | | | |
|---------------------------------------|--------------------------------|-----------|---------|---------------|--------------------|
| When are you planning on coming back? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Uncertain | 6 | 8.0 | 9.1 | 9.1 |
| | 2 – This year | 8 | 10.7 | 12.1 | 21.2 |
| | 3 – Within the next few months | 24 | 32.0 | 36.4 | 57.6 |
| | 4 – This month | 16 | 21.3 | 24.2 | 81.8 |
| | 5 – This week | 12 | 16.0 | 18.2 | 100.0 |
| | Total | 66 | 88.0 | 100.0 | |
| Missing | 999 | 9 | 12.0 | | |
| Total | | 75 | 100.0 | | |

4.2.2 Interest in a SCRM program

The questionnaire was also aimed at measuring the customers' interest in a program rewarding them based on the money they spent at the *Oscos!* restaurant or the Sarah B. bar. The majority of the clients responded positively (51.5%) saying that this program would be of interest to them. On the other hand, 26.5% said they would not be interested and 22.1% said they were uncertain. This makes sense, considering the customers' frequency of visit, as those visiting the restaurant and the bar a few times per year or less (44.2%) would probably not subscribe to a loyalty program.

Table 18: Frequency table (question 53, first sample)

SCRM53

| Would you be interested in subscribing to a program rewarding you based on the money you spent at <i>Oscos!</i> restaurant/Sarah B. bar? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|---------------|-----------|---------|---------------|--------------------|
| Valid | 1 – Yes | 35 | 46.7 | 51.5 | 51.5 |
| | 2 – No | 18 | 24.0 | 26.5 | 77.9 |
| | 3 – Uncertain | 15 | 20.0 | 22.1 | 100.0 |
| | Total | 68 | 90.7 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| Total | | 75 | 100.0 | | |

The respondents were also asked to select the rewards that were of interest to them from a list of nine items. Most of the items were popular, with eight of them being selected by 30.7% or more of the clients.

Table 19: Frequency table (question 54, first sample)

| Items | % of votes |
|---|------------|
| Special event or experience access | 37.3% |
| Percentage of discount on your restaurant/bar tab (usable once) | 45.3% |
| Percentage of discount on your restaurant/bar tab (available for all your visits) | 54.7% |
| Complimentary item from the menu | 30.7% |
| Complimentary drink or glass of wine | 40% |
| 2 for 1 coupon | 37.3% |
| Complimentary hotel stay | 49.3% |
| Complimentary meal at <i>Oscos!</i> restaurant/Sarah B. bar | 45.3% |
| Special discount at boutiques or stores located near the hotel | 14.7% |

4.2.3 Internet and social media usage

This section of the questionnaire considered the respondents' habits when it comes to using the Internet and social media. First, customers were asked how often they use the Internet. A vast majority (89.7%) confirmed that they use it on a daily basis or almost every day.

Table 20: Frequency table (question 55, first sample)

| | | Int55 | | | |
|--------------------------------|----------------------|--------------|---------|---------------|--------------------|
| How often do you use Internet? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Never | 1 | 1.3 | 1.5 | 1.5 |
| | 2 – Almost never | 1 | 1.3 | 1.5 | 2.9 |
| | 3 – Occasionally | 5 | 6.7 | 7.4 | 10.3 |
| | 4 – Almost every day | 8 | 10.7 | 11.8 | 22.1 |
| | 5 – Every day | 53 | 70.7 | 77.9 | 100.0 |
| | Total | 68 | 90.7 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| Total | | 75 | 100.0 | | |

As shown on the table below, most customers use the Internet in the context of both their personal and professional lives (62.7%).

Table 21: Frequency table (question 56, first sample)

| | | Int56 | | | |
|--|--------------|--------------|---------|---------------|--------------------|
| What purposes do you typically use the Internet for? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Personal | 21 | 28.0 | 31.3 | 31.3 |
| | 2 – Business | 4 | 5.3 | 6.0 | 37.3 |
| | 3 – Both | 42 | 56.0 | 62.7 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

Also, 79.4% of the customers confirmed that they own a smart phone.

Table 22: Frequency table (question 57, first sample)

| | | Int57 | | | |
|---------------------------|---------|--------------|---------|---------------|--------------------|
| Do you own a smart phone? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Yes | 54 | 72.0 | 79.4 | 79.4 |
| | 2 – No | 14 | 18.7 | 20.6 | 100.0 |
| | Total | 68 | 90.7 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| Total | | 75 | 100.0 | | |

When questioned about e-mail addresses, only 4.5% of the respondents admitted that they do not have one.

Table 23: Frequency table (question 58, first sample)

| | | Int58 | | | |
|--------------------------------|---------|--------------|---------|---------------|--------------------|
| Do you have an e-mail address? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Yes | 64 | 85.3 | 95.5 | 95.5 |
| | 2 – No | 3 | 4.0 | 4.5 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| | System | 1 | 1.3 | | |
| | Total | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

In addition, a majority of the clients confirmed that they check their e-mail inbox every day (82.1%) or almost every day (11.9%).

Table 24: Frequency table (question 59, first sample)

| | | Int59 | | | |
|---|----------------------|--------------|---------|---------------|--------------------|
| How often do you check your e-mail inbox? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Never | 1 | 1.3 | 1.5 | 1.5 |
| | 2 – Almost never | 1 | 1.3 | 1.5 | 3.0 |
| | 3 – Occasionally | 2 | 2.7 | 3.0 | 6.0 |
| | 4 – Almost every day | 8 | 10.7 | 11.9 | 17.9 |
| | 5 – Every day | 55 | 73.3 | 82.1 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| | System | 1 | 1.3 | | |
| | Total | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

Osc! restaurant and Sarah B. bar customers were also asked about their social media presence. 80.9% of the respondents confirmed that they have a Facebook account and 16.2% said that they are considering it.

Table 25: Frequency table (question 60, first sample)

Int60

| Do you have a Facebook account? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------------------|------------------------------------|-----------|---------|---------------|--------------------|
| Valid | 1 – Yes | 55 | 73.3 | 80.9 | 80.9 |
| | 2 – No, but I am considering it | 2 | 2.7 | 2.9 | 83.8 |
| | 3 – No and I am not considering it | 11 | 14.7 | 16.2 | 100.0 |
| | Total | 68 | 90.7 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| Total | | 75 | 100.0 | | |

In terms of their engagement, customers' habits were diverse. Some mentioned that they engage every day (40.3%) or almost every day (19.4%), whereas others said they visit Facebook occasionally (14.9%), almost never (4.5%) or never (11.9%).

Table 26: Frequency table (question 61, first sample)

Int61

| How often do you engage on Facebook? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------------------|----------------------|-----------|---------|---------------|--------------------|
| Valid | 1 – Never | 8 | 10.7 | 11.9 | 11.9 |
| | 2 – Almost never | 3 | 4.0 | 4.5 | 16.4 |
| | 3 – Occasionally | 10 | 13.3 | 14.9 | 31.3 |
| | 4 – Almost every day | 13 | 17.3 | 19.4 | 50.7 |
| | 5 – Every day | 27 | 36.0 | 40.3 | 91.0 |
| | 6 – Not applicable | 6 | 8.0 | 9.0 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| | System | 1 | 1.3 | | |
| | Total | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

As anticipated, a large proportion of the respondents confirmed that they use social media to connect with friends (72%) and family (65.3%). However, a significant number of people mentioned that they also reach out to groups with similar interests (32%), local businesses (24%) and brands (20%).

Respondents were also asked about another popular social medium: Twitter. Among the restaurant and bar customers who completed the survey, only 26.5% have a Twitter account.

Table 27: Frequency table (question 63, first sample)

| | | Int63 | | | |
|--------------------------------|---------|--------------|---------|---------------|--------------------|
| Do you have a Twitter account? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Yes | 18 | 24.0 | 26.5 | 26.5 |
| | 2 – No | 50 | 66.7 | 73.5 | 100.0 |
| | Total | 68 | 90.7 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| Total | | 75 | 100.0 | | |

The statistics presented in the table below are not especially revealing, since most respondents indicated that they never engage on Twitter or that the question was not applicable.

Table 28: Frequency table (question 64, first sample)

| | | Int64 | | | |
|-------------------------------------|----------------------|--------------|---------|---------------|--------------------|
| How often do you engage on Twitter? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Never | 13 | 17.3 | 19.4 | 19.4 |
| | 2 – Almost never | 3 | 4.0 | 4.5 | 23.9 |
| | 3 – Occasionally | 6 | 8.0 | 9.0 | 32.8 |
| | 4 – Almost every day | 2 | 2.7 | 3.0 | 35.8 |
| | 5 – Every day | 4 | 5.3 | 6.0 | 41.8 |
| | 6 – Not applicable | 39 | 52.0 | 58.2 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| | System | 1 | 1.3 | | |
| | Total | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

Also, the respondents' answers suggest that people connect more with friends (13.3%), groups with similar interests (13.3%), local businesses (9.3%) and brands (8%), than with their family members on Twitter.

4.2.4 Socio-demographic profile

The last questions in the survey allowed us to establish the socio-demographic profile of the respondents. First of all, frequencies were fairly evenly distributed among the age groups. However, most of the customers were between 30 and 59 years old (65.7%).

Table 29: Frequency table (question 66, first sample)

| | | Age66 | | | |
|-------------------|----------------------------|--------------|---------|---------------|--------------------|
| What is your age? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Less than 20 years old | 1 | 1.3 | 1.5 | 1.5 |
| | 2 – 20 to 29 years old | 12 | 16.0 | 17.9 | 19.4 |
| | 3 – 30 to 39 years old | 17 | 22.7 | 25.4 | 44.8 |
| | 4 – 40 to 49 years old | 16 | 21.3 | 23.9 | 68.7 |
| | 5 – 50 to 59 years old | 11 | 14.7 | 16.4 | 85.1 |
| | 6 – 60 years old or older | 10 | 13.3 | 14.9 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

Also, among the people who completed the survey, 59.1% were women and 40.9% were men.

Table 30: Frequency table (question 67, first sample)

| | | Sex67 | | | |
|-----------------------------|------------|--------------|---------|---------------|--------------------|
| Are you a male or a female? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Male | 27 | 36.0 | 40.9 | 40.9 |
| | 2 – Female | 39 | 52.0 | 59.1 | 100.0 |
| | Total | 66 | 88.0 | 100.0 | |
| Missing | 999 | 7 | 9.3 | | |
| | System | 2 | 2.7 | | |
| | Total | 9 | 12.0 | | |
| Total | | 75 | 100.0 | | |

Respondents were also asked about the level of education they had completed. 53.7% confirmed that they have a university degree (20.9% had an undergraduate degree and 32.8% had a graduate degree). Also, a significant percentage of the customers who completed the survey (28.4%) have a CEGEP diploma. The other respondents said they had completed a high school diploma (13.4%) or less (4.5%).

Table 31: Frequency table (question 68, first sample)

| | | Ed68 | | | |
|--|--------------------------------|-------------|---------|---------------|--------------------|
| What is the highest level of education you have completed? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Less than high school | 3 | 4.0 | 4.5 | 4.5 |
| | 2 – High school | 9 | 12.0 | 13.4 | 17.9 |
| | 3 – Cegep | 19 | 25.3 | 28.4 | 46.3 |
| | 4 – University (undergraduate) | 14 | 18.7 | 20.9 | 67.2 |
| | 5 – University (graduate) | 22 | 29.3 | 32.8 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

In terms of their salary, most respondents earn more than \$50,000 per year. More precisely, 30.2% of the customers earn between \$50,000 and \$74,999, 9.5% earn between \$75,000 and \$99,999 and 27% earn more than \$100,000. The other 33.3% earn less than \$50,000 annually.

Table 32: Frequency table (question 69, first sample)

| | | Sal69 | | | |
|-----------------------------|-----------------------------------|--------------|---------|---------------|--------------------|
| What is your annual income? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Less than \$25,000 | 9 | 12.0 | 14.3 | 14.3 |
| | 2 – Between \$25,000 and \$49,999 | 12 | 16.0 | 19.0 | 33.3 |
| | 3 – Between \$50,000 and \$74,999 | 19 | 25.3 | 30.2 | 63.5 |
| | 4 – Between \$75,000 and \$99,999 | 6 | 8.0 | 9.5 | 73.0 |
| | 5 – \$100,000 or more | 17 | 22.7 | 27.0 | 100.0 |
| | Total | 63 | 84.0 | 100.0 | |
| Missing | 999 | 12 | 16.0 | | |
| Total | | 75 | 100.0 | | |

Finally, the survey confirmed that 68.7% of the customers did not have any children.

Table 33: Frequency table (question 70, first sample)

| | | Chil70 | | | |
|-----------------------|---------|-----------|---------|---------------|--------------------|
| Do you have children? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Yes | 21 | 28.0 | 31.3 | 31.3 |
| | 2 – No | 46 | 61.3 | 68.7 | 100.0 |
| | Total | 67 | 89.3 | 100.0 | |
| Missing | 999 | 8 | 10.7 | | |
| Total | | 75 | 100.0 | | |

4.3 Regression analysis

The data collected in the first phase of the study was analyzed using simple linear regression, in order to test H1. The results and the impact of customer engagement on seven other variables are presented in the following sections.

4.3.1 Relationship between customer engagement and cognitive commitment

First, the relationship between customer engagement and cognitive commitment was considered. The regression model suggests that customer engagement is a significant predictor of cognitive commitment ($F(1, 63) = 11.30, p = .001; R^2 = .15$). This confirms that customer engagement is positively and significantly related to cognitive commitment ($b = .22, SE = .06; t = 3.36, p = .001$). This result supports the hypothesis (H1a) suggesting that customer engagement is positively associated with cognitive (or calculative) commitment.

Table 34: Model summary, relationship between customer engagement and cognitive commitment (first sample)

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .390 ^a | .152 | .139 | 3.14204 |

a. Predictors: (Constant), GallupTOTAL

Table 35: ANOVA, relationship between customer engagement and cognitive commitment (first sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|-------------------|
| 1 Regression | 111.577 | 1 | 111.577 | 11.302 | .001 ^b |
| Residual | 621.961 | 63 | 9.872 | | |
| Total | 733.538 | 64 | | | |

a. Dependent Variable: CogComTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 36: Coefficients, relationship between customer engagement and cognitive commitment (first sample)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 4.026 | 2.924 | | 1.377 | .174 |
| GallupTOTAL | .215 | .064 | .390 | 3.362 | .001 |

a. Dependent Variable: CogComTOTAL

4.3.2 Relationship between customer engagement and affective commitment

Next, the link between customer engagement and affective commitment was analyzed. The results of the linear regression confirm that the relationship between GallupTOTAL and AffComTOTAL is significant ($F(1, 60) = 19.48, p < .001; R^2 = .25$). In addition, the tables presented below suggest that customer engagement is a highly significant predictor of affective commitment ($b = .41, SE = .09; t = 4.41, p < .001$). These results validate the hypothesis that customer engagement is positively related to affective commitment (H1b).

Table 37: Model summary, relationship between customer engagement and affective commitment (first sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .495 ^a | .245 | .233 | 4.46075 |

a. Predictors: (Constant), GallupTOTAL

Table 38: ANOVA, relationship between customer engagement and affective commitment (first sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|-------------------|
| 1 Regression | 387.651 | 1 | 387.651 | 19.482 | .000 ^b |
| Residual | 1193.897 | 60 | 19.898 | | |
| Total | 1581.548 | 61 | | | |

a. Dependent Variable: AffCommTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 39: Coefficients, relationship between customer engagement and affective commitment (first sample)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 10.911 | 4.210 | | 2.592 | .012 |
| GallupTOTAL | .405 | .092 | .495 | 4.414 | .000 |

a. Dependent Variable: AffCommTOTAL

4.3.3 Relationship between customer engagement and behavioural loyalty

In this section, the relationship between customer engagement and behavioural loyalty was considered.

The output presented below confirms that GallupTOTAL and LoyalBeTOTAL are significantly related ($F(1, 63) = 26.65, p < .001; R^2 = .30$). In addition, the results indicate that the predictor explained 30% of the variance in the dependent variable.

It was also found that customer engagement significantly predicted cognitive commitment ($b = .30, SE = .06; t = 5.16, p < .001$). These results confirm the hypothesis that customer engagement is positively related to loyalty behaviour (H1c).

Table 40: Model summary, relationship between customer engagement and behavioural loyalty (first sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .545 ^a | .297 | .286 | 2.86423 |

a. Predictors: (Constant), GallupTOTAL

Table 41: ANOVA, relationship between customer engagement and behavioural loyalty (first sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|-------------------|
| 1 Regression | 218.608 | 1 | 218.608 | 26.647 | .000 ^b |
| Residual | 516.838 | 63 | 8.204 | | |
| Total | 735.446 | 64 | | | |

a. Dependent Variable: LoyalBeTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 42: Coefficients, relationship between customer engagement and behavioural loyalty (first sample)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 8.269 | 2.666 | | 3.102 | .003 |
| GallupTOTAL | .301 | .058 | .545 | 5.162 | .000 |

a. Dependent Variable: LoyalBeTOTAL

4.3.4 Relationship between customer engagement and satisfaction

Additionally, the linear regression model suggests that customer engagement is a significant predictor of satisfaction ($F(1, 62) = 33.72, p < .001; R^2 = .35$).

Supporting the hypothesis that customer engagement is associated with satisfaction (H1d), the following results confirm that GallupTOTAL is positively and significantly related to SatisTOTAL ($b = .19, SE = .03; t = 5.81, p < .001$).

Table 43: Model summary, relationship between customer engagement and satisfaction (first sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .594 ^a | .352 | .342 | 1.56939 |

a. Predictors: (Constant), GallupTOTAL

Table 44: ANOVA, relationship between customer engagement and satisfaction (first sample)

ANOVA^a

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|-------------------|
| 1 Regression | 83.044 | 1 | 83.044 | 33.717 | .000 ^b |
| Residual | 152.706 | 62 | 2.463 | | |
| Total | 235.750 | 63 | | | |

a. Dependent Variable: SatisTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 45: Coefficients, relationship between customer engagement and satisfaction (first sample)

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 4.277 | 1.462 | | 2.926 | .005 |
| GallupTOTAL | .186 | .032 | .594 | 5.807 | .000 |

a. Dependent Variable: SatisTOTAL

4.3.5 Relationship between customer engagement and trust

Looking more closely at the relationship between customer engagement and trust, we notice that GallupTOTAL and TrustTOTAL are significantly related ($F(1, 62) = 47.67, p < .001; R^2 = .44$). The output also suggests that customer engagement explains 44% of the variance in the dependent variable (trust).

In addition, the linear regression analysis confirmed that customer engagement is a positive and highly significant predictor of trust ($b = .25, SE = .04; t = 6.90, p < .001$), which supports H1e.

Table 46: Model summary, relationship between customer engagement and trust (first sample)

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .659 ^a | .435 | .426 | 1.74890 |

a. Predictors: (Constant), GallupTOTAL

Table 47: ANOVA, relationship between customer engagement and trust (first sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|--------|-------------------|
| 1 Regression | 145.800 | 1 | 145.800 | 47.668 | .000 ^b |
| Residual | 189.637 | 62 | 3.059 | | |
| Total | 335.438 | 63 | | | |

a. Dependent Variable: TrustTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 48: Coefficients, relationship between customer engagement and trust (first sample)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 4.950 | 1.629 | | 3.039 | .003 |
| GallupTOTAL | .246 | .036 | .659 | 6.904 | .000 |

a. Dependent Variable: TrustTOTAL

4.3.6 Relationship between customer engagement and involvement

In this section, the relationship between customer engagement and involvement was measured. The results of the linear regression model suggests that customer engagement is not a significant predictor of involvement ($F(1, 53) = .43, p > .05; R^2 = .008$). Moreover, customer engagement is not positively, nor significantly related to involvement ($b = -.10, SE = .16; t = -.66, p > .05$) and the output does not support the hypothesis presented in the model (H1g), which stated that customer engagement is positively associated with involvement.

Table 49: Model summary, relationship between customer engagement and involvement (first sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .090 ^a | .008 | -.011 | 6.97087 |

a. Predictors: (Constant), GallupTOTAL

Table 50: ANOVA, relationship between customer engagement and involvement (first sample)

ANOVA^a

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|------|-------------------|
| 1 Regression | 21.008 | 1 | 21.008 | .432 | .514 ^b |
| Residual | 2575.428 | 53 | 48.593 | | |
| Total | 2596.436 | 54 | | | |

a. Dependent Variable: InvoITOTAL

b. Predictors: (Constant), GallupTOTAL

Table 51: Coefficients, relationship between customer engagement and involvement (first sample)

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 59.342 | 7.054 | | 8.413 | .000 |
| GallupTOTAL | -.102 | .155 | -.090 | -.658 | .514 |

a. Dependent Variable: InvoITOTAL

4.3.7 Relationship between customer engagement and word of mouth

Finally, the relationship between customer engagement and word of mouth was carefully analyzed and the results demonstrated that GallupTOTAL and WOMTOTAL are not significantly related ($F(1, 63) = .09, p > .05; R^2 = .001$). As shown in the tables presented below, customer engagement is not a significant predictor of word of mouth ($b = .75, SE = 2.52; t = .30, p > .05$).

Table 52: Model summary, relationship between customer engagement and word of mouth (first sample)

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .037 ^a | .001 | -.014 | 123.81492 |

a. Predictors: (Constant), GallupTOTAL

Table 53: ANOVA, relationship between customer engagement and word of mouth (first sample)

ANOVA^a

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|------|-------------------|
| 1 Regression | 1352.493 | 1 | 1352.493 | .088 | .767 ^b |
| Residual | 965798.491 | 63 | 15330.135 | | |
| Total | 967150.985 | 64 | | | |

a. Dependent Variable: WOMTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 54: Coefficients, relationship between customer engagement and word of mouth (first sample)

| Coefficients ^a | | | | | |
|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | |
| 1 (Constant) | -10.708 | 115.238 | | -.093 | .926 |
| GallupTOTAL | .748 | 2.517 | .037 | .297 | .767 |

a. Dependent Variable: WOMTOTAL

4.3.8 Discussion of the results

Overall, the results of this analysis suggest positive and significant relationships of customer engagement and cognitive commitment (H1a), affective commitment (H1b), behavioural loyalty (H1c), satisfaction (H1d), and trust (H1e). On the other hand, the hypotheses concerning the relationship between customer engagement and involvement (H1g) and word of mouth (H1f) were not supported.

4.4 Second round of data collection

The second round of data collection was conducted in March 2015. Twenty-five members of the 27th Level program were targeted based on their current point levels (which had to be higher than 2000), in order to ensure that only active members would participate in the second round of data collection. The selected members received a link to the online version of the survey in a personalized e-mail. In exchange for their participation, the respondents were promised 2000 points.

4.4.1 Preparation of the second questionnaire

The preparation of the second questionnaire turned out to be very simple. In fact, in order to ensure that both data sets presented similar characteristics and that no point of comparison was missed, most of the measures used in the first questionnaire were kept. Two questions regarding a potential reward program for the *Oscó!* restaurant and Sarah B. bar were in fact removed, since the questionnaire was sent to members of the new program. Also, the question regarding the ages of the children was removed, because it was not analyzed in the first round of data collection. Moreover, the consent form was modified to include the new incentive for respondents (27th Level points), and a question was added at the end of the questionnaire to allow the participant to confirm their 27th Level member ID in order to receive their points.

4.4.2 Pre-test and questionnaire revision

As mentioned in the previous section, the original questionnaire was retained for the second phase of the data collection. For that reason, the questionnaire was not pretested or revised.

4.4.3 Obstacles and difficulty associated with the second round of data collection

The second phase of the data collection presented some specific challenges. For example, the number of highly active members in the program was small. In fact, the 27th Level was still fairly new and for that reason, the number of potential respondents was limited. Therefore, by considering only the members with a minimum of 2000 points in their account, we ended up with a sample of twenty-five potential participants.

Also, the considerable length of the questionnaire was another challenge, especially due to the small number of potential respondents. In order to ensure the reliability of the sample, it seemed necessary to reach the maximum number of members. However, the anticipated risk was that some of our members would refuse to take 10 minutes to complete the survey.

4.4.4 Potential bias

In addition, potential sources of bias for the second data collection phase were considered. One of the issues that came up was the incentive offered to the customer in exchange for completing the survey, as there was a chance that this could influence the answers they provided. Also, the fact that only the active members of the program were targeted to complete the second survey must be acknowledged. This can be a potential source of bias, as the non-active members could have presented a different profile.

5. Second questionnaire analysis

The second phase of the data collection process was completed by the end of March 2015. Out of the twenty-five potential respondents, 18 questionnaires were returned. The targeted members received a personalized e-mail and those who did not respond the first time were e-mailed a second and third time to follow up on the original request.

5.1 Validation of the scales

The scales used in the survey were validated again following the second round of data collection. The goal of this procedure was to ensure the reliability of each scale using the alpha coefficient.

5.1.1 Customer engagement

First, we considered Gallup's customer engagement scale. This 11-item scale presented a high level of internal consistency with an alpha coefficient of .86. Moreover, the item-total statistics suggested that most of the items contributed to the Cronbach's Alpha scale, although the removal of some items (GalOvSat2, GalOvSat3 and GalPass11) could have contributed to a slight increase in the scale's internal consistency.

Table 55: Reliability statistics customer engagement scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .864 | 11 |

Table 56: Item-total statistics customer engagement scale (second sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| GalOvSat1 | 44.13 | 12.410 | .488 | .858 |
| GalOvSat2 | 43.60 | 13.829 | .268 | .869 |
| GalOvSat3 | 43.87 | 12.552 | .338 | .872 |
| GalConf4 | 44.00 | 12.143 | .556 | .853 |
| GalConf5 | 44.27 | 10.210 | .824 | .829 |
| GalInt6 | 43.87 | 12.267 | .557 | .853 |
| GalInt7 | 44.07 | 11.638 | .711 | .842 |
| GalPride8 | 44.13 | 10.552 | .841 | .828 |
| GalPride9 | 43.73 | 12.781 | .492 | .858 |
| GalPass10 | 44.13 | 11.695 | .708 | .842 |
| GalPass11 | 45.53 | 12.695 | .375 | .866 |

5.1.2 Affective commitment

Next, the internal consistency of the six-item affective commitment scale was tested. The results were satisfying with an alpha coefficient of .81 for the scale originally published in Mattila's article (2001). In addition, it should be mentioned that removing the items AffCom13 and AffCom17 would have slightly increased the scale's internal consistency to .83 or .83, respectively.

Table 57: Reliability statistics affective commitment scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .807 | 6 |

Table 58: Item-total statistics affective commitment scale (second sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| AffCom12 | 26.00 | 17.067 | .632 | .771 |
| AffCom13 | 25.88 | 17.717 | .307 | .834 |
| AffCom14 | 25.44 | 14.663 | .681 | .749 |
| AffCom15 | 26.19 | 13.363 | .852 | .703 |
| AffCom16 | 26.00 | 17.067 | .729 | .761 |
| AffCom17 | 25.50 | 15.333 | .421 | .825 |

5.1.3 Cognitive commitment

The third scale is also derived from Mattila (2001). The three-item cognitive commitment scale includes two reversed items, and presents a low level of internal consistency with an alpha coefficient of .62. In fact, the CogCom18_R and CogCom19 items do not contribute positively to the Cronbach's Alpha value.

Table 59: Reliability statistics cognitive commitment scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .619 | 3 |

Table 60: Item-total statistics cognitive commitment scale (second sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| CogCom18_R | 10.6000 | 2.257 | .462 | .565 |
| CogCom19 | 9.4667 | 3.267 | .799 | .105 |
| CogCom20_R | 10.3333 | 4.952 | .199 | .773 |

5.1.4 Customer loyalty

The four-item customer loyalty scale presents a high level of internal consistency with an alpha coefficient of .81. The results of this reliability analysis suggest that this scale could be improved by removing the fourth item: LoyalBe31.

Table 61: Reliability statistics customer loyalty scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .827 | 4 |

Table 62: Item-total statistics customer loyalty scale (second sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| LoyalBe28 | 17.00 | 9.143 | .668 | .787 |
| LoyalBe29 | 17.07 | 8.210 | .920 | .700 |
| LoyalBe30 | 17.47 | 7.124 | .763 | .728 |
| LoyalBe31 | 18.27 | 7.638 | .459 | .915 |

5.1.5 Satisfaction

The satisfaction scale by Kim et al. (2006) was also tested and an alpha coefficient of .86 was obtained. The results confirm that the internal consistency of this three-item scale is high. However, it seems appropriate to point out that the Cronbach's Alpha would increase by .08 if the Satis21 item was removed from the scale.

Table 63: Reliability statistics satisfaction scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .857 | 3 |

Table 64: Item-total statistics satisfaction scale (second sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Satis21 | 8.938 | .996 | .607 | .937 |
| Satis22 | 9.063 | .996 | .841 | .703 |
| Satis23 | 9.125 | 1.050 | .778 | .762 |

5.1.6 Trust

Moreover, the reliability of the trust scale (Kim et al., 2006) was considered and the alpha coefficient confirmed its internal consistency with a result of .83. The Cronbach's alpha of this four-item scale could have been increased to .91 by removing the Trust27 item.

Table 65: Reliability statistics trust scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .834 | 4 |

Table 66: Item-total statistics trust scale (second sample)

| Item-Total Statistics | | | | |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Trust24 | 12.7500 | 3.267 | .873 | .685 |
| Trust25 | 12.8750 | 3.183 | .769 | .742 |
| Trust26_R | 12.8125 | 3.629 | .754 | .747 |
| Trust27 | 12.3750 | 5.583 | .310 | .907 |

5.1.7 Word-of-mouth

The two-item word-of-mouth scale was also tested in order to confirm its reliability. The Cronbach's alpha value was established at .77.

Table 67: Reliability statistics word-of-mouth scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .770 | 2 |

5.1.8 Involvement

Lastly, the internal consistency of the 17-item involvement scale from Skogland and Siguaw (2004) was considered. The results confirmed that the coefficient for this scale was just above the social science threshold with a Cronbach's Alpha of .71. Most of the 17 items brought additional value to the scale. However, the alpha coefficient could have been slightly increased by removing some of the items.

Table 68: Reliability statistics involvement scale (second sample)

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .705 | 17 |

Table 69: Item-total statistics involvement scale (second sample)

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|-----------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
| Invol32 | 54.0000 | 35.231 | .732 | .654 |
| Invol33 | 54.4286 | 37.802 | .418 | .682 |
| Invol34 | 55.2143 | 40.027 | .024 | <u>.734</u> |
| Invol35 | 55.0714 | 40.225 | .106 | <u>.710</u> |
| Invol36 | 54.4286 | 41.033 | .033 | <u>.716</u> |
| Invol37 | 54.5714 | 33.802 | .667 | .648 |
| Invol38 | 54.0714 | 40.379 | .038 | <u>.724</u> |
| Invol39 | 55.2857 | 40.681 | .027 | <u>.723</u> |
| Invol40 | 55.2143 | 33.720 | .564 | .657 |
| Invol41 | 53.7143 | 37.451 | .358 | .685 |
| Invol42 | 53.7143 | 41.604 | .000 | <u>.716</u> |
| Invol43_R | 53.4286 | 37.495 | .262 | .697 |
| Invol44 | 54.2857 | 35.143 | .709 | .654 |
| Invol45 | 53.0714 | 39.302 | .404 | .689 |
| Invol46 | 54.0714 | 35.918 | .475 | .672 |
| Invol47 | 54.0714 | 36.687 | .401 | .680 |
| Invol48 | 54.7857 | 38.643 | .227 | .699 |

5.2 Client profile

In this section, we will look at the profiles of the customers who completed the survey and compare the results of the first and second phases of the data collection.

5.2.1 Frequency of the visits

First of all, the frequency of the visits was considered. The table presented below suggests that 37.6% of the respondents visit the *Oscó!* restaurant or the Sarah B. bar once or a few times per week. The remaining customers said that they visited the restaurant or the bar once a month (18.8%) or a few times per year (6.3%).

Table 70: Frequency table (question 51, second sample)

| | | FVisIVis51 | | | |
|---|--------------------------|-------------------|---------|---------------|--------------------|
| How often do you visit <i>Oscor!</i> restaurant/Sarah B. bar? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 2 – A few times per year | 1 | 5.6 | 6.3 | 6.3 |
| | 3 – Once a month | 3 | 16.7 | 18.8 | 25.0 |
| | 4 – Once a week | 6 | 33.3 | 37.5 | 62.5 |
| | 5 – A few times per week | 6 | 33.3 | 37.5 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Also, when asked when they were planning on returning, most customers (50%) said they would be back this month. Moreover, a significant number of the respondents (37.5%) confirmed that they were planning on visiting again during the same week.

Table 71: Frequency table (question 52, second sample)

| | | FVisIVis52 | | | |
|---------------------------------------|--------------------------------|-------------------|---------|---------------|--------------------|
| When are you planning on coming back? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 2 – This year | 1 | 5.6 | 6.3 | 6.3 |
| | 3 – Within the next few months | 1 | 5.6 | 6.3 | 12.5 |
| | 4 – This month | 8 | 44.4 | 50.0 | 62.5 |
| | 5 – This week | 6 | 33.3 | 37.5 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

5.2.2 Internet and social media usage

Next we inquired about the customers' Internet and social media usage. When asked how often they use the Internet, 93.8% of the respondents confirmed that they use it on a daily basis, whereas the remaining 6.3% use it almost every day.

Table 72: Frequency table (question 53, second sample)

Int53

| How often do you use Internet? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------------|----------------------|-----------|---------|---------------|--------------------|
| Valid | 4 – Almost every day | 1 | 5.6 | 6.3 | 6.3 |
| | 5 – Every day | 15 | 83.3 | 93.8 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

In addition, a majority of the respondents (87.5%) stated that they use the Internet for both personal and business purposes.

Table 73: Frequency table (question 54, second sample)

Int54

| What purposes do you use Internet for? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--|------------------------------|-----------|---------|---------------|--------------------|
| Valid | 1 – Personal | 2 | 11.1 | 12.5 | 12.5 |
| | 3 – Both business & personal | 14 | 77.8 | 87.5 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Additionally, all the customers confirmed that they own a smart phone and an e-mail address.

Table 74: Frequency table (question 55, second sample)

Int55

| Do you own a smart phone? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------------|---------|-----------|---------|---------------|--------------------|
| Valid | 1 – Yes | 16 | 88.9 | 100.0 | 100.0 |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Table 75: Frequency table (question 56, second sample)

Int56

| Do you have an e-mail address? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------------|---------|-----------|---------|---------------|--------------------|
| Valid | 1 – Yes | 16 | 88.9 | 100.0 | 100.0 |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Also, most *Osc!* restaurant and Sarah B. bar customers confirmed that they check their e-mail on a daily basis (93.8%) or almost every day (6.3%).

Table 76: Frequency table (question 57, second sample)

| Int57 | | | | | |
|---|----------------------|-----------|---------|---------------|--------------------|
| How often do you check your e-mail inbox? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 4 – Almost every day | 1 | 5.6 | 6.3 | 6.3 |
| | 5 – Every day | 15 | 83.3 | 93.8 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

With regards to social media, the surveyed customers stated that they either have a Facebook account (81.3%) or that they do not have one and are not considering it (18.8%).

Table 77: Frequency table (question 58, second sample)

| Int58 | | | | | |
|---------------------------------|-------------------------------|-----------|---------|---------------|--------------------|
| Do you have a Facebook account? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Yes | 13 | 72.2 | 81.3 | 81.3 |
| | 3 – No and not considering it | 3 | 16.7 | 18.8 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Furthermore, most of the customers who have a Facebook account use it on a daily basis (37.5%) or almost every day (18.8%). On the other hand, a significant proportion of the respondents stated that they never engage on Facebook (25%).

In addition, 62.5% of the respondents confirmed that they use Facebook to connect with friends and family. Customers also stated that they engage with groups with similar interests (37.5%), brands (6.25%) and local businesses (18.75%).

Table 78: Frequency table (question 59, second sample)

| | | Int59 | | | |
|--------------------------------------|----------------------|--------------|---------|---------------|--------------------|
| How often do you engage on Facebook? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Never | 4 | 22.2 | 25.0 | 25.0 |
| | 2 – Almost never | 1 | 5.6 | 6.3 | 31.3 |
| | 3 – Occasionally | 1 | 5.6 | 6.3 | 37.5 |
| | 4 – Almost every day | 3 | 16.7 | 18.8 | 56.3 |
| | 5 – Every day | 6 | 33.3 | 37.5 | 93.8 |
| | 6 – Not applicable | 1 | 5.6 | 6.3 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

When asked about Twitter, 56.3% of the customers confirmed that they have an account, whereas 43.8% stated they do not.

Table 79: Frequency table (question 61, second sample)

| | | Int61 | | | |
|--------------------------------|---------|--------------|---------|---------------|--------------------|
| Do you have a Twitter account? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Yes | 9 | 50.0 | 56.3 | 56.3 |
| | 2 – No | 7 | 38.9 | 43.8 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Among all the respondents, 25% mentioned that they almost never engage on Twitter and a similar proportion of the customers said that they engage occasionally.

The surveyed customers claimed that they mostly use Twitter to connect with groups that have similar interests (50%) or with friends (25%). The respondents also mentioned that they engage with brands (12.5%), local businesses (6.25%) and family (6.25%).

Table 80: Frequency table (question 62, second sample)

| | | Int62 | | | |
|-------------------------------------|----------------------|--------------|---------|---------------|--------------------|
| How often do you engage on Twitter? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Never | 5 | 27.8 | 31.3 | 31.3 |
| | 2 – Almost never | 4 | 22.2 | 25.0 | 56.3 |
| | 3 – Occasionally | 4 | 22.2 | 25.0 | 81.3 |
| | 4 – Almost every day | 1 | 5.6 | 6.3 | 87.5 |
| | 6 – Not applicable | 2 | 11.1 | 12.5 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

5.2.3 Socio-demographic profile

In this section, we also considered the socio-demographic profile of the respondents. Looking at the results closely, it appears that most of the customers who completed the survey were between 40 and 49 years of age (43.8%). Moreover, a significant portion of the respondents were between 30 and 39 years of age (25%).

Table 81: Frequency table (question 64, second sample)

| | | Age64 | | | |
|-------------------|--------------------------|--------------|---------|---------------|--------------------|
| What is your age? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 3 – 30 to 39 years old | 4 | 22.2 | 25.0 | 25.0 |
| | 4 – 40 to 49 years old | 7 | 38.9 | 43.8 | 68.8 |
| | 5 – 50 to 59 years old | 3 | 16.7 | 18.8 | 87.5 |
| | 6 – 60 years old or more | 2 | 11.1 | 12.5 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Also, a majority of the 27th Level members who filled out the questionnaire were men (75%), while the remaining respondents were women (25%).

Table 82: Frequency table (question 65, second sample)

| | | Sex65 | | | |
|---------------------------|------------|--------------|---------|---------------|--------------------|
| Are you a male or female? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Male | 12 | 66.7 | 75.0 | 75.0 |
| | 2 – Female | 4 | 22.2 | 25.0 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

The highest level of education completed by most of the surveyed customers is a University graduate degree (43.8%), although a significant number of respondents (37.5%) confirmed that they had completed a University undergraduate degree.

Table 83: Frequency table (question 66, second sample)

| | | Ed66 | | | |
|--|--------------------------------|-------------|---------|---------------|--------------------|
| What is the highest level of education you have completed? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 2 – High school (D.E.S.) | 1 | 5.6 | 6.3 | 6.3 |
| | 3 – CEGEP (D.E.C.) | 2 | 11.1 | 12.5 | 18.8 |
| | 4 – University (Undergraduate) | 6 | 33.3 | 37.5 | 56.3 |
| | 5 – University (Graduate) | 7 | 38.9 | 43.8 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Customers were also asked about their current income level. In line with their education level, a majority of the respondents (62.5%) earn a salary of \$100,000 per year or more. The other respondents were distributed equally among the 3 following income brackets: \$25,000 to \$49,999, \$50,000 to \$74,999 and \$75,000 to \$99,999.

Table 84: Frequency table (question 67, second sample)

| | | Sal67 | | | |
|-----------------------------|--------------------------|--------------|---------|---------------|--------------------|
| What is your annual income? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 2 – \$25,000 to \$49,999 | 2 | 11.1 | 12.5 | 12.5 |
| | 3 – \$50,000to \$74,999 | 2 | 11.1 | 12.5 | 25.0 |
| | 4 – \$75,000 to \$99,999 | 2 | 11.1 | 12.5 | 37.5 |
| | 5 – \$100,000 or more | 10 | 55.6 | 62.5 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

Finally, slightly more than 50% of the surveyed customers have children (56.3%), while the rest stated that they do not.

Table 85: Frequency table (question 68, second sample)

| | | Chil68 | | | |
|-----------------------|---------|---------------|---------|---------------|--------------------|
| Do you have children? | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 1 – Yes | 9 | 50.0 | 56.3 | 56.3 |
| | 2 - No | 7 | 38.9 | 43.8 | 100.0 |
| | Total | 16 | 88.9 | 100.0 | |
| Missing | 999 | 2 | 11.1 | | |
| Total | | 18 | 100.0 | | |

5.3 Regression analysis

Regression analysis was conducted with the surveys completed in the second phase of the data collection in order to confirm the validity of the model presented earlier.

5.3.1 Relationship between customer engagement and cognitive commitment

In this first section, the relationship between customer engagement and cognitive commitment was carefully evaluated. The results suggest that customer engagement explains 4.5% of the variance in the dependent variable. However, the output presented below cannot confirm that customer engagement is a significant predictor of cognitive commitment ($F(1, 12) = 0.56, p > .05; R^2 = .045$). Moreover, the coefficients table suggests that customer engagement is positively related to cognitive commitment ($b = .14, SE = .19; t = 0.75, p > .05$), but the results are not significant from a statistical point of view. Therefore, this output does not support the hypothesis that customer engagement is positively associated with cognitive (or calculative) commitment (H1a).

Table 86: Model summary, relationship between customer engagement and cognitive commitment (second sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .212 ^a | .045 | -.035 | 2.68937 |

a. Predictors: (Constant), GallupTOTAL

Table 87: ANOVA, relationship between customer engagement and cognitive commitment (second sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|------|-------------------|
| 1 Regression | 4.065 | 1 | 4.065 | .562 | .468 ^b |
| Residual | 86.793 | 12 | 7.233 | | |
| Total | 90.857 | 13 | | | |

a. Dependent Variable: CogComTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 88: Coefficients, relationship between customer engagement and cognitive commitment (second sample)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 8.250 | 9.413 | | .876 | .398 |
| GallupTOTAL | .144 | .193 | .212 | .750 | .468 |

a. Dependent Variable: CogComTOTAL

5.3.2 Relationship between customer engagement and affective commitment

Secondly, the relationship between customer engagement and affective commitment was analyzed. The output suggests that 4.6% of the variance in the dependant variable (affective commitment) can be explained by customer engagement. However, the results of the analysis could not confirm the statistical significance of the relationship between GallupTOTAL and AffComTOTAL ($F(1, 13) = 0.63, p > .05; R^2 = .046$). Moreover, the results did not demonstrate that customer engagement is a significant predictor of affective commitment ($b = .23, SE = .29; t = .79, p > .05$) and consequently, the hypothesis (H1b) was not supported in this second phase.

Table 89: Model summary, relationship between customer engagement and affective commitment (second sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .215 ^a | .046 | -.027 | 4.04775 |

a. Predictors: (Constant), GallupTOTAL

Table 90: ANOVA, relationship between customer engagement and affective commitment (second sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|------|-------------------|
| 1 Regression | 10.338 | 1 | 10.338 | .631 | .441 ^b |
| Residual | 212.996 | 13 | 16.384 | | |
| Total | 223.333 | 14 | | | |

a. Dependent Variable: AffCommTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 91: Coefficients, relationship between customer engagement and affective commitment (second sample)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 20.680 | 13.871 | | 1.491 | .160 |
| | GallupTOTAL | .226 | .285 | .215 | .794 | .441 |

a. Dependent Variable: AffCommTOTAL

5.3.3 Relationship between customer engagement and behavioural loyalty

The relationship between customer engagement and behavioural loyalty was also considered. The output confirms that GallupTOTAL and LoyalBeTOTAL are significantly related ($F(1, 12) = 4.71, p = .05; R^2 = .28$). The results also suggest that 28% of the variance in the loyalty behaviour can be explained by customer engagement. In addition, customer engagement was found to predict behavioural loyalty positively and significantly ($b = .49, SE = .23; t = 2.17, p = .05$), which confirms the hypothesis that customer engagement is positively related to loyalty behaviour (H1c).

Table 92: Model summary, relationship between customer engagement and behavioural loyalty (second sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .531 ^a | .282 | .222 | 3.08691 |

a. Predictors: (Constant), GallupTOTAL

Table 93: ANOVA, relationship between customer engagement and behavioural loyalty (second sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|-------|-------------------|
| 1 Regression | 44.866 | 1 | 44.866 | 4.708 | .051 ^b |
| Residual | 114.348 | 12 | 9.529 | | |
| Total | 159.214 | 13 | | | |

a. Dependent Variable: LoyalBeTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 94: Coefficients, relationship between customer engagement and behavioural loyalty (second sample)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.167 | 11.004 | | -.015 | .988 |
| | GallupTOTAL | .488 | .225 | .531 | 2.170 | .051 |

a. Dependent Variable: LoyalBeTOTAL

5.3.4 Relationship between customer engagement and satisfaction

Next, the linear regression analysis confirmed that customer engagement is a significant predictor of satisfaction ($F(1, 13) = 8.85, p < .05; R^2 = .41$) and that it explains 40% of the variance in the dependant variable (SatisTOTAL). These results support the hypothesis (H1d) that customer engagement is positively and significantly associated with satisfaction ($b = .22, SE = .08; t = 2.98, p < .05$).

Table 95: Model summary, relationship between customer engagement and satisfaction (second sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .636 ^a | .405 | .359 | 1.06828 |

a. Predictors: (Constant), GallupTOTAL

Table 96: ANOVA, relationship between customer engagement and satisfaction (second sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|-------|-------------------|
| 1 Regression | 10.098 | 1 | 10.098 | 8.848 | .011 ^b |
| Residual | 14.836 | 13 | 1.141 | | |
| Total | 24.933 | 14 | | | |

a. Dependent Variable: SatisTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 97: Coefficients, relationship between customer engagement and satisfaction (second sample)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 2.875 | 3.661 | | .785 | .446 |
| GallupTOTAL | .224 | .075 | .636 | 2.975 | .011 |

a. Dependent Variable: SatisTOTAL

5.3.5 Relationship between customer engagement and trust

The relationship between customer engagement and trust was also analyzed. The results demonstrate that GallupTOTAL and TrustTOTAL are significantly related ($F(1, 13) = 6.49, p < .05; R^2 = .33$) and that customer engagement explains 33% of the variance in the TrustTOTAL variable. Additionally, the positive and significant relationship between the two variables was confirmed ($b = .40, SE = .16; t = 2.55, p < .05$). These results support the hypothesis (H1e) and demonstrate that customer engagement is a positive and significant predictor of trust.

Table 98: Model summary, relationship between customer engagement and trust (second sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .577 ^a | .333 | .282 | 2.25287 |

a. Predictors: (Constant), GallupTOTAL

Table 99: ANOVA, relationship between customer engagement and trust (second sample)

ANOVA^a

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|-------|-------------------|
| 1 Regression | 32.953 | 1 | 32.953 | 6.493 | .024 ^b |
| Residual | 65.981 | 13 | 5.075 | | |
| Total | 98.933 | 14 | | | |

a. Dependent Variable: TrustTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 100: Coefficients, relationship between customer engagement and trust (second sample)

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -2.682 | 7.720 | | -.347 | .734 |
| | GallupTOTAL | .404 | .159 | .577 | 2.548 | .024 |

a. Dependent Variable: TrustTOTAL

5.3.6 Relationship between customer engagement and involvement

The relationship between customer engagement and involvement was evaluated in this section. The output generated by the linear regression analysis suggests that customer engagement is not a significant predictor of involvement ($F(1, 12) = 2.10$ $p > .05$; $R^2 = .149$). Furthermore, the results suggest that GallupTOTAL is not significantly related to InvolTOTAL ($b = .66$, $SE = .46$; $t = 1.45$, $p > .05$), which does not support the hypothesis (H1g) presented in the model.

Table 101: Model summary, relationship between customer engagement and involvement (second sample)

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .386 ^a | .149 | .078 | 6.34474 |

a. Predictors: (Constant), GallupTOTAL

Table 102: ANOVA, relationship between customer engagement and involvement (second sample)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|-------|-------------------|
| 1 Regression | 84.646 | 1 | 84.646 | 2.103 | .173 ^b |
| Residual | 483.068 | 12 | 40.256 | | |
| Total | 567.714 | 13 | | | |

a. Dependent Variable: InvolTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 103: Coefficients, relationship between customer engagement and involvement (second sample)

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 25.750 | 22.207 | | 1.160 | .269 |
| | GallupTOTAL | .659 | .455 | .386 | 1.450 | .173 |

a. Dependent Variable: InvolTOTAL

5.3.7 Relationship between customer engagement and word of mouth

Lastly, the relationship between customer engagement and word of mouth was considered and the result of the linear regression analysis confirmed that GallupTOTAL and WOMTOTAL are not significantly related ($F(1, 13) = 1.44, p > .05; R^2 = .099$). In fact, customer engagement does not appear to be a significant predictor of word of mouth ($b = .09, SE = 0.8; t = 1.20, p > .05$) and consequently the hypothesis (H1f) is not supported.

Table 104: Model summary, relationship between customer engagement and word of mouth (second sample)

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .315 ^a | .099 | .030 | 1.11667 |

a. Predictors: (Constant), GallupTOTAL

Table 105: ANOVA, relationship between customer engagement and word of mouth (second sample)

ANOVA^a

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|----|-------------|-------|-------------------|
| 1 Regression | 1.789 | 1 | 1.789 | 1.435 | .252 ^b |
| Residual | 16.211 | 13 | 1.247 | | |
| Total | 18.000 | 14 | | | |

a. Dependent Variable: WOMTOTAL

b. Predictors: (Constant), GallupTOTAL

Table 106: Coefficients, relationship between customer engagement and word of mouth (second sample)

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 3.429 | 3.827 | | .896 | .387 |
| GallupTOTAL | .094 | .079 | .315 | 1.198 | .252 |

a. Dependent Variable: WOMTOTAL

5.4 Discussion of the results

The previous sections have presented the results associated with scale reliability, sample and regression analysis for both phases of the data collection process. In this next section, the results (with regard to the test of H1) will be compared for both samples in order to draw conclusions from this study.

5.4.1 Scale validation: Comparison between the two samples

The reliability of the scales used in the context of this study was evaluated twice. In fact, the analysis was conducted with both samples to ensure that the results were consistent and that all the scales could be relied upon for the regression analysis.

First, the 11-item customer engagement scale presented by Gallup (2009) was evaluated. The results confirmed its reliability for both samples with an alpha coefficient of .91 in the first round of data collection and .86 in the second round. The item-total statistics also demonstrated that removing the GalPass11 item would have increased the alpha coefficient of this scale for both samples.

Next, the affective commitment scale (Mattila 2001) was considered and the reliability statistics confirmed a high level of internal consistency for both samples. More precisely, the alpha coefficient was .83 for the first group and .81 for the second.

The cognitive commitment scale was derived from Mattila (2001). In the first round of data collection, this three-item scale showed a high level of internal consistency, with an alpha coefficient of .78. However, when the reliability of the scale was tested again with the second group, the reliability statistics diminished considerably (.62). The item-total statistics also demonstrated that removing the CogCom20_R reverse item would have increased the alpha coefficient of the scale to .77 for the second sample.

The reliability of the customer loyalty (Mattila 2001) scale was also measured and the results confirmed a high level of internal consistency. The alpha coefficient for this four-item scale was fairly high, with .84 for the first group and .83 for the second.

As for the three scales derived from a study by Kim et al. (2006) about the restaurant industry, they showed a higher level of internal consistency for the members of the 27th Level who responded to the survey, than for the consumers who filled in the survey in the first round of data collection. For example, the alpha coefficient for the three-item satisfaction scale was .86 for the second group, an increase of .02 in the reliability statistics when compared to the results obtained for the first data collection phase. Then, looking at the results for the trust scale, we notice a significant increase in the alpha coefficient from the first group (.72) to the second group (.83). Likewise, the alpha coefficient for the word-of-mouth scale increased by .04 between the first and second round of data collection. In fact, the alpha coefficient of the two-item scale reached .77 for the second sample.

Finally, the last scale to be tested was the 17-item involvement scale from the Skogland and Siguaaw (2004) article. The results confirmed the reliability of the scale for both samples, although the alpha coefficient was slightly higher for the data collected during the second phase of the study (.71 compared to .70 for the first group).

Overall, the results for the scale validation process were satisfying and quite similar considering the sizes of, and the disparities between, the two samples. However, the analysis confirmed that except for the 3-item cognitive commitment scale, all of the scales tested with the data collected from the second group had an alpha coefficient higher than the level accepted in social science (.70; Nunally, 1991). Furthermore, on four occasions, the reliability statistics were higher for the customers surveyed in the second round of the data collection process.

5.4.2 Client profiles: Comparison between the two samples

Comparing the results from the two data collections phases will allow us to underline the similarities as well as the differences between the customer profiles in each group.

5.4.2.1 Frequency of the visits and intentions to revisit

First of all, it seems that frequency of visit varies between the two groups. In fact, the members of the 27th Level program visit the Sarah B. bar and *Oscó!* restaurant more frequently. More specifically, 75% of the members visit the restaurant on a weekly basis or more (with 37.5% of the customers visiting once a week and another 37.5% visiting a few times per week). By comparison, the average consumer (surveyed in the first phase of the study) visits a few times per year (32.4%) or once per month (25%). Additionally, the Chi-square suggests that there is very strong evidence of a relationship between the sample (first or second) and the frequency of visit (Chi-square = 13.85, df = 5, $p < .05$).

Similarly, a disparity in the results was noted in terms of customer intentions to revisit. In fact, respondents from the first phase of data collection mentioned that they were planning on visiting the restaurant or the bar again in the next few months (36.4%) or this month (24.2%), whereas members of the 27th Level platform stated that they would come back this month (37.5%) or this week (50%). Again, the results of the Chi-square test provide strong evidence of a relationship between the sample and the customer's intentions to revisit (Chi-square = 10.80, df = 4, $p < .05$).

This difference between the two samples in the frequency of the visit and intention to revisit is significant and should be taken into consideration. These differences are in line with H2c and H2e.

5.4.2.2 Internet and social media usage

Customer habits in terms of Internet and social media usage were also compared for both phases of the data collection.

The results suggest that a higher proportion of consumers surveyed in the second phase of the study use the Internet on a daily basis. More precisely, 93.8% of the members of the 27th Level use the Internet daily and 6.3% use it almost everyday. On the other hand, 77.9% of the customers surveyed in the first phase of the study use the Internet every day and 11.8% use it almost every day.

Moreover, 62.7% of the customers of the first group stated that they use the Internet both for personal and for business purposes, whereas 31.3% mentioned that they typically use it for personal reasons. The

statistics were slightly different for the members of the loyalty program. In fact, 12.5% confirmed that they use the Internet for personal reasons, while the remaining 87.5% claimed that they use it for work and personal reasons.

When it comes to the number of customers who own a smart phone, again there was a significant difference between the two groups. In fact, 79.4% of the customers surveyed in the first round stated that they own a smart phone. On the other hand, all those who responded to the second round of data collection own a smart phone.

Customers were also asked if they had an e-mail address and how often they used it. Here, the results were fairly similar, with 95.5% of the first group having an e-mail address compared to 100% of the respondents in the second group. However, more respondents in the second group use it on a daily basis (93.8% compared to 82.1%) or almost every day (6.3% compared to 11.9%).

When completing the survey, customers were questioned about their social media usage. They were asked if they had a Facebook account and if so, how often they engaged on Facebook. The results from these questions were quite similar for both groups. In fact, 80.9% of the customers surveyed in the first data collection phase have an account. Moreover, 40.3% said they engage every day, whereas 19.4% use it almost every day. Similarly, 81.3% of the customers in the second group have a Facebook account and use it daily (37.5%) or almost every day (18.8%).

The results were different for Twitter, where the customers surveyed in the second phase of the data collection process showed different usage habits than the customers of the first group. More precisely, 56.5% of the members of the 27th Level platform have a Twitter account (compared to 26.5% for the first group). Moreover, 25% of the members of the second group said they engage on Twitter occasionally, compared to only 9% for the other group.

5.4.2.3 Socio-demographic profile

Finally, the socio-demographic profiles of the two groups were compared. The two samples differed slightly in terms of their age representation. Although the number of customer aged between 30 and 39 was similar for both groups (25.4% for the first customers to be surveyed, compared to 25% for the second group), there was a notable difference in the number of customers aged between 40 and 49 years old. More precisely, a majority of the members of the 27th Level who responded to the survey were aged between 40 and 49 years old (43.8%), while the percentage of customers in that age group dropped to 23.9% for those surveyed in the first phase of the data collection. As for the percentage of respondents

over 50 years old, the results were similar for both samples, with 16.4% of the customers being 50 to 59 years old and 14.9% being over 60 years old in the first group, and 18.8% of the 27th Level members who responded to the survey being in their fifties and 12.5% being 60 years old or more.

The gender of the respondent was also significantly different from one sample to the other. In the first data collection phase, the percentage of female respondent was at 59.1%, but this number dropped considerably in the second phase of the study to 25%.

As for the highest education level completed by the respondents, some variations were perceived between the two groups surveyed. For example, 28.4% of the consumers who completed the survey in the first round of data collection have a CEGEP diploma, whereas 53.7% have a university degree (20.9% undergraduate and 32.8% graduate). When comparing these results with the members of the second group, it appears that the percentage of respondents with a CEGEP diploma is smaller (12.5%), but the number of university graduates is much higher (with 37.5% of the customers with an undergraduate degree and 43.8% with a graduate degree).

The annual income of the respondents was also considered and the analysis confirmed that members of the second group have higher incomes than customers in the first group. Specifically, 73% of the respondents in the first phase of the data collection earn less than \$100,000 and the remaining 27% earn more. On the other hand, 62.5% of the members of the 27th Level platform who completed the survey have an annual income of \$100,000 or more.

Lastly, the respondents were asked if they have children. In the second round of data collection, a majority of respondents answered this question positively (56.4%), whereas only 31.3% of the customers surveyed in the first phase said they have children.

5.4.3 Regression analysis: Comparison between the two samples

As previously discussed, a linear regression analysis was conducted with the data collected from *Osc!* restaurant and Sarah B. bar customers, as well as the data collected from the active members of the 27th Level platform. The results were presented earlier in this document and this section will highlight the similarities and the differences between the two samples.

First of all, cognitive and affective commitments were considered. The positive and significant relationship of those variables with customer engagement (H1a, H1b) was demonstrated during the first phase of the data collection process. Conversely, the regression analysis conducted with the second

sample did not validate these relationships. In fact, the association between customer engagement and cognitive or affective commitment was not statistically significant for the second group. Also, the R Square values were considerably lower for the data collected amongst the members of the 27th Level. For example, customer engagement explained 15.2% of the variance in cognitive commitment in the first analysis and 4.5% in the second. Similarly, 24.5% of the variance in affective commitment was explained by customer engagement in the first analysis, compared to 4.6% in the second. This could be the result of a variation between the two samples, but the fact that the reliability of the commitment scales was not confirmed and the data from the regression was not significant, suggests that it would not be appropriate to make such a judgment.

Looking more closely at the relationship between customer engagement and loyalty behaviour, it appears that the regression analysis conducted with both samples confirmed the significant and positive link between the two variables. However, it must be pointed out that the degree of statistical significance was lower for the second sample. Also, the R Square value was quite consistent with a result of .30 for the first phase and .28 for the second group.

Next, the linear regression analysis conducted for customer engagement and satisfaction was carefully analyzed. The R Square for the two samples suggests that a similar percentage of the variance in satisfaction was explained by customer engagement (35.2% for the first sample compared to 34.2% for the second). Moreover, the results demonstrate that customer engagement is positively and significantly related to satisfaction (with a significance level that is slightly lower for the second sample).

When considering the relationship between customer engagement and trust, the results for both samples were similar. In fact, the R Square value suggests that GallupTOTAL explains 43.5% of the variance in the trust variable. Likewise, the percentage of variance in the dependant variable explained by customer engagement is established at 42.6% for the second group. Moreover, the linear regression analysis conducted with both samples confirmed the positive and significant relationship between the variables, although the significance level is slightly lower in the surveys completed during the second phase of the data collection.

The regression analysis was also conducted to validate the relationship between customer engagement and involvement. Unfortunately, the results did not confirm this hypothesis for either sample. Similarly, the existence of a significant and positive relationship between customer engagement and word of mouth was not validated with any sample.

5.4.4 Financial results

The proposed model also considered some financial indicators in order to determine the impact of the social customer relationship management program in the restaurant industry (H2). More precisely, revenue growth ratios were expected to be superior to the industry average for the target restaurant (H2a). Profitability was expected to be greater than in previous years (H2d). The money spent per visit was expected to increase following the launch of the SCRM program (H2f), as were overall sales for the *Oscó!* restaurant and the Sarah B. bar (H2b). In order to ensure that the comparison would take into account the introduction of the SCRM system as well as seasonal effects, the financial results of the first quarter of 2014 were compared with the results for the same period in 2015.

5.4.4.1 Sales

First, the analysis of the financial results considered the impact of the SCRM platform on the overall sales for the *Oscó!* restaurant and the Sarah B. bar. The results demonstrate an increase in total revenues (food and beverage) for both outlets. For example, sales increased from \$381,250 in the first three months of 2014 to \$403,806 for the same period in 2015. Similarly, food and beverages revenues for the Sarah B. bar went from \$150,910 in 2014 to \$186,773 in 2015.

5.4.4.2 Revenue growth

Looking at the revenue growth, the results suggest that the total revenue increased by 5.92% for the *Oscó!* restaurant and 23.76% for the Sarah B. bar. This is in line with H2a. The revenue growth averages for the restaurant industry are not available for the current year, but these results are significantly higher than the Quebec and United States averages for 2014, of 4.8% and 3.6% respectively.

5.4.4.3 Profitability

In terms of profitability, the results for the bar and the restaurant are much different, but both outlets have improved since the implementation of the SCRM platform, consistent with H2d. More precisely, the profits from the Sarah B. bar increased from \$54,190 for the first three months of 2014 to \$78,659 for the same period a year later. This represents an increase of 6.21% from one year to the next, going from 35.90% to 42.11%.

On the other hand, *Oscó!* restaurant has not been profitable over the past few years and although the situation remains the same for 2015, the results demonstrate some improvement in the financial results. In fact, the loss at the restaurant was \$61,569 for Q1 2014 (with \$381,250 in sales) and this number dropped to \$49,339 for the first quarter of this year (with \$403,806 in sales): a 3.92% decrease in the restaurant's loss over the same period, a year later.

5.4.4.4 Money spent per visit

The analysis also confirmed an increase in the amount spent per visit at *Oscó!* restaurant and the Sarah B. bar. For example, the amount spent by an average customer visiting the restaurant in the first three months of 2014 was \$28.04, whereas this number increased to \$29.15 the following year, a 3.96% rise. As for the bar, the results confirm that the average amount spent per visit increased from \$74.89 to \$88.90 year over year. This \$14.01 difference translates into an increase of 18.7% from 2014 to 2015. These results are in line with H2f.

6. Conclusions

This last section presents the conclusions of the study, and also takes another look at the model in order to validate the hypotheses. Moreover, it considers the limitations of this study, as well as its implications for restaurant managers and the potential for further research.

6.1 General conclusions of the analysis

The analysis confirmed the validity of the scales used in the context of this study. In fact, the results confirmed that the scales offered a high level of internal validity, making them a solid base for our research work. The only scale not to reach the threshold (.70) that we had established was the three-item cognitive commitment scale tested among the respondents in the second sample. On the other hand, the reliability analysis demonstrated that the alpha coefficients were higher for 4 of the scales tested with the data collected from members of the 27th Level platform (trust, satisfaction, word of mouth and involvement).

The data presented in the previous section also suggest that the profiles of members of the SCRM platform are different from the profile of any other *Oscó!* restaurant or Sarah B. bar customer. In fact, the results of the analysis suggest that the current members are more educated, with a large percentage of them having completed a university graduate degree. They also earn a higher annual income, with a significant proportion of the respondents being in the last salary bracket of the survey. Finally, members are mostly men and they are slightly older than the average *Oscó!* restaurant or Sarah B. bar customer. These results are not surprising, as they truly illustrate the typical customer working in the neighbourhood and visiting the restaurant on a regular basis. Additionally, it reflects the restaurant manager's perception of a loyal clientele. On the other hand, this suggests that the reach of the program is still limited and that the program has not yet allowed the restaurant and the bar to develop new types of loyal customers.

Furthermore, the Internet and social media usage patterns were different from one sample to the other. In

fact, the analysis suggests that the surveyed members of the 27th Level platform use the Internet more frequently, they all have e-mail addresses and they use email more regularly. Also, the respondents to the second phase of the data collection all own a smart phone and a larger percentage of those customers have a Twitter account. These results suggests that either the Web-based platform is more appealing to tech-savvy customers or that the loyal customers are more connected due to their work and lifestyle. Although it is difficult to confirm from the data available, it is reasonable to believe, based on their level of education and annual income, that loyal *Oscot* restaurant and Sarah B. bar customers are more knowledgeable about the Internet and more engaged on social media, which would make them better candidates for the SCRM platform.

In addition, the data presented in the previous section suggest that the SCRM program had a positive impact on the financial results of the restaurant and the bar. On that note, it must be added that since the launch of the program, both the *Oscot* restaurant and the Sarah B. bar have limited the number of discounts and promotions available to customers in order to focus on the new program and encourage their customers to become members of the program. It should also be pointed out that the results could have been influenced by other factors such as hotel occupancy, which was slightly higher in 2015 than in 2014.

6.2 Validation of the model and the hypotheses

The main goal of this study was to validate the impact of a Social Customer Relationship Management (SCRM) system on the development of customer engagement in the restaurant industry, as well as the impact of customer engagement on different variables such as cognitive and affective commitment, behavioural loyalty, satisfaction, trust and involvement.

First of all, the level of customer engagement was evaluated for both samples using the GallupTOTAL variable. The results suggest that the average customer engagement value increased from 45.36 for the first sample to 48.53 for the second. Moreover, the GallupTOTAL values spread from 21 to 54 for the first sample, with a standard deviation of 6.15. On the other hand, the values were between 43 and 54 for the second sample, with a standard deviation of 3.8. These results suggest that the SCRM platform had a positive impact on customer engagement, which lends some support for the mediating role of customer engagement proposed in the model tested here. However, it seems important to reiterate that the size of the second sample was fairly small. Also, although it seems unlikely, the possibility that the customers who enrolled in the program were already more engaged cannot be completely ruled out.

As mentioned earlier, this study also aimed to investigate the impact of customer engagement on

cognitive and affective commitment, behavioural loyalty, satisfaction, trust, involvement and word of mouth.

In terms of the relationship linking cognitive (H1a) and affective commitment (H1b) to customer engagement, it was supported only for the customers surveyed in the first group. Moreover, the amount of variation in the dependant variables (cognitive and affective commitment) explained by the predictor seemed to be smaller for the second sample (although the results were not statistically significant). For that reason, the hypotheses predicting a positive relationship between customer engagement and those two variables received only partial support.

On the other hand, the relationships between customer engagement and three other variables (behavioural loyalty, satisfaction, and trust) were confirmed for both groups. Therefore, the hypotheses predicting significant and positive relationships between customer engagement and the following variables: behavioural loyalty (H1c), satisfaction (H1d), and trust (H1e) were consistently supported.

The positive impact of customer engagement on involvement (H1g) and word of mouth (H1f) could not be confirmed for either sample, thus both hypotheses did not receive support.

When it comes to frequency of visit and intentions to revisit (H2e), the results of the survey confirmed the existence of a significant difference between the first and second group. The data presented earlier showed that the members of the SCRM platform visited the *Oscó!* restaurant and the Sarah B. bar more frequently and they intended to return sooner than the customers surveyed in the first phase of the data collection. Consequently, these results supported H2c and H2e.

Finally, the four hypotheses related to the financial success of the SCRM platform included in the model (H2a, b, d, and f) were supported. In fact, the data obtained from the *Oscó!* restaurant and the Sarah B. bar confirmed that sales increased from one year to the next and that the revenue growth ratios were superior to the industry average. Also, customer engagement is expected to have had a positive impact on profitability, since it increased for both the restaurant and the bar. Lastly, the analysis of the financial results supported the hypothesis predicting the positive impact of the program on the money spent per visit.

6.3 Limitations

This study presents certain limitations, and although most of them have been highlighted throughout the text, it seems necessary to mention some additional constraints.

First, the reduced size of the second sample had an impact on the level of significance of the results. Ideally, it would have been preferable to survey a larger number of active 27th Level members. Moreover, the decision to survey only the active members of the platform (instead of all the members) should be acknowledged, because of the potential source of bias it represents.

In addition, the limited number of active 27th Level members suggests that, although the financial results support the hypotheses, the impact of the program might be smaller than what the data suggest, and part of the results might be due to other factors (e.g., time delay between data collection stages).

Moreover, had we been able to ask the same respondents to fill out the survey before and after the implementation of the platform, and compared the results for each participant, it would have provided a higher level of insight. More precisely, it would have allowed us to rule out the possibility that the active members of the SCRM exhibited a different behaviour than the average *Oscó!* restaurant and Sarah B. bar customer, even before the launch of the platform.

Another limitation of this research was that the relation between the introduction of a SCRM system and customer engagement could not be assessed empirically, due to incompatible units of analysis (aggregate restaurant data vs. individual consumer level data). The current research is thus an initial test of components of the proposed model. The overall model including the mediating role of consumer engagement will have to be revisited in future research, however, to derive valid conclusions about the specific mechanisms underlying the effects of SCRM systems on organizational outcomes, such as sales or profitability.

In addition, it should be pointed out that some of the constructs included in this research may be highly correlated and that discriminant validity was not tested. The high R Square values obtained in the regression analysis could be an indication of a potential lack of discriminant validity.

Finally, it is important to note that the results regarding the financial performance following the introduction of a SCRM system are correlational in nature and may have been driven by factors unaccounted for in this research (e.g., general increase in restaurant sales and profitability). Because comparative data for sales and revenue growth were not available at the time of the writing of this thesis, such factors could not be ruled out.

6.4 Implications for restaurants

The conclusions of the study highlight the benefits for restaurant managers and owners to implement a SCRM platform. The results demonstrate the impact of the platform on customer engagement and the impact of customer engagement on financial results as well as on variables such as behavioural loyalty, satisfaction, trust and intentions to revisit. The outcome of this study should encourage restaurants to develop their own Social Customer Relationship Management platform.

6.5 Future studies

As mentioned earlier, this study presents a certain number of limitations and these should be addressed in future studies. For example, a similar study that tracks customers before and after the implementation of the SCRM platform should be conducted.

Also, the results presented in the context of this study should be validated in another context and with a larger sample of active members. In fact, it would be interesting to confirm whether SCRM has the same impact in a fast food restaurant, in a bistro in a different neighbourhood or in a pub that is not located in a hotel.

Finally, some of the hypotheses presented in the original model were dismissed because the relationship between those variables and customer engagement could not be validated. Thus, it would be of interest to consider the role of those variables (affective and cognitive commitment, involvement and word of mouth) on the model again and see if they have a different impact than what was first anticipated.

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Appendix A: Definition tables

| Definitions of Customer Engagement | Authors | Date | Publication | Page |
|--|---------------------------------|-------|---|------|
| Turning on a prospect to a brand idea enhanced by the surrounding context. A turned-on customer results from stimulating co-creation, which leads to a more personal, deeper brand meaning. The co-creation concept originates in the work of Prof. Gerald Zaltman, who elaborates on it in the Emotional Response to Advertising White Paper and in his book, How Customers Think (Harvard Business School Press, 2003). | Advertising Research Foundation | 2008 | The organization's website: http://thearf.org/research-arf-initiatives-defining-engagement#sthash.LC7CQ9ve.dpuf | N/A |
| In this emerging approach, engagement refers to the creation of a deeper, more meaningful connection between the company and the customer, and one that endures over time. Engagement is also seen as a way to create customer interaction and participation. | Bennett Voyles | 2007a | Economist Intelligence Unit | 2 |
| Customer engagement is a measure of the overall strength of a company's customer relationships; it reflects the degree to which customers have formed emotional as well as rational bonds to the brands they buy and own. | William McEwen | 2004 | Gallup Management Journal: http://gmj.gallup.com/content/14023/Why-Satisfaction-Isnt-Satisfying.aspx | N/A |
| That's where Gallup's new 11-question metric of "customer engagement," called CE ¹¹ , comes in. CE ¹¹ measures rational formulations of loyalty according to three key factors (L3): overall satisfaction, intent to repurchase, and intent to recommend. But it also adds eight measures of emotional attachment (A8). "The total score, which reflects overall customer engagement, or CE ¹¹ , is the most powerful predictor of customer loyalty we know," says Gallup senior consultant John Fleming, Ph.D. | Alec Appelbaum | 2001 | Gallup Management Journal: http://gmj.gallup.com/content/745/Constant-Customer.aspx | N/A |
| We describe customer engagement as the level of a customer's various "presence" in their relationship with a service organization. The presences include physical presence, emotional presence and cognitive presence. Customer engagement is a higher-order construct, and it comprises of four components, namely, vigor, dedication, absorption, and interaction. | Patterson et al. | 2006 | Proceedings, Australia-New Zealand Marketing Academy Conference, Brisbane, December. | |
| Repeated interactions that strengthen the emotional, psychological and physical investment a customer has in a brand (product or company). | Richard Sedley and Martyn Perks | 2008 | cScape Strategic Internet Services Ltd. | 12 |

| | | | | |
|--|---------------------|------|---|-----|
| The level of an individual customer's motivational, brand-related and context-dependent state of mind characterised by specific levels of cognitive, emotional and behavioural activity in direct brand interactions. | Linda D. Hollebeek | 2011 | Journal of Marketing Management (27) | 790 |
| CE is the intensity of an individual's participation in and connection with an organization's offerings or organizational activities, which either the customer or the organization initiates. The individuals may be current or potential customers. CE may be manifested cognitively, affectively, behaviorally, or socially. | Vivek et al. | 2012 | Journal of Marketing Theory and Practice (20) | 133 |
| Customer engagement behaviors go beyond transactions, and may be specifically defined as a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers. | Van Doorn et al. | 2010 | Journal of Service Research (13) | 254 |
| Online engagement is a cognitive and affective commitment to an active relationship with the brand as personified by the website or other computer-mediated entities designed to communicate brand value. | Mollen and Wilson | 2010 | Journal of Business Research (63) | 923 |
| The term engagement is conceptualized in this paper as a psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand. | Jana Lay-Hwa Bowden | 2009 | Journal of Marketing Theory and Practice (17) | 65 |
| Consumer engagement in a virtual brand community involves specific interactive experiences between consumers and the brand, and/or other members of the community. Consumer engagement is a context-dependent, psychological state characterized by fluctuating intensity levels that occur within dynamic, iterative engagement processes. Consumer engagement is a multidimensional concept comprising cognitive, emotional, and/or behavioral dimensions, and plays a central role in the process of relational exchange where other relational concepts are engagement antecedents and/or consequences in iterative engagement processes within the brand community. | Brodie et al. | 2011 | Journal of Business Research | 3 |
| Community engagement refers to the positive influences of identifying with the brand community, which are defined as the consumer's intrinsic motivation to interact and cooperate with community members. Community engagement suggests that members are interested in helping other members, participating in joint activities, and otherwise acting volitionally in ways that the community endorses and that enhance its value for them- selves and others. | Algesheimer et al. | 2005 | Journal of Marketing (69) | 21 |

| Definitions of Customer Relationship Management | Authors | Date | Publication | Page |
|---|---------|------|-------------|------|
|---|---------|------|-------------|------|

| | | | |
|---|--------------------------------------|------|---|
| <p>Data-driven marketing, also known as customer relationship management, is founded on four key tenets:</p> <ol style="list-style-type: none"> 1. A company's most important assets are its customers. 2. All customers are not created equal. 3. Customers also vary widely in their needs, preferences, buying behavior and price sensitivity. 4. By understanding the linkages and trade-offs, companies can tailor and target their products and services in a way that maximizes the overall value of their customers' portfolio. | Steve Kutner and John Cripps | 1997 | The Healthcare Forum Journal (4) |
| <p>Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the Customer.</p> | Atul Parvatiyar and Jagdish N. Sheth | 2001 | Customer Relationship Management – Emerging Concepts, Tools and Applications (Book) |
| <p>Customer Relationship Management is a term for methodologies, technologies, and e-commerce capabilities used by companies to manage customer relationships.</p> | Merlin Stone and Neil Woodcock | 2001 | Successful Customer Relationship Marketing (Book) |
| <p>Customer Relationship Management is an enterprise approach to understanding and influencing customer behavior through meaningful communication to improve customer acquisition, customer retention, customer loyalty, and customer profitability.</p> | Ronald S. Swift | 2000 | Accelerating Customer Relationship - Using CRM and Relationship Technologies (Book) |
| <p>CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications.</p> | Adrian Payne and Pennie Frow | 2005 | Journal of Marketing (October) |

| | | | | |
|---|--------------------------------|------|---|-----|
| CRM was originally about putting together an infrastructure, processes, and methodologies to support customer and sales processes and customer relationships. | Brian Solis | 2011 | His website: http://www.briansolis.com/2011/12/social-crm-doesn't-exist-but-theres-a-need-for-definition/ | N/A |
| The premise of CRM is that it is a process of relationship building and dual creation of value between a firm and its customers, to create win-win situations, enhance customer lifetime value and increase profitability. | Bang Nguyen and Dilip S. Mutum | 2012 | Business Process Management Journal | 402 |
| CRM is a process that utilizes technology as an enabler to capture, analyze and disseminate current and prospective customer data to identify customers' needs more precisely and develop insightful relationships. | Paulissen et al. | 2007 | Proceedings of the 40 th Annual Hawaii International Conference on System Sciences | 1 |
| Collectively, [all these definitions] maintain that the purpose of CRM is to get (identify and acquire), keep (serve and retain), and grow best customers. | Alexander Tuzhilin | 2012 | Data Mining and Knowledge Discovery (24) | 586 |
| CRM is comprised of sales, marketing and service/support-based functions whose purpose was to move the customer through a pipeline with the goal of keeping the customer coming back to buy more and more stuff. Traditional CRM was very much based around data and information that brands could collect on their customers, all of which would go into a CRM system that then allowed the company to better target various customers. | Jacob Morgan | 2010 | Social Media Examiner Website: http://www.socialmediaexaminer.com/what-is-social-crm/ | N/A |

| Definitions of Social Customer Relationship Management | Authors | Date | Publication | Page |
|--|--|-------------|--|-------------|
| Social CRM is defined as a philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes, and social characteristics, designed to prepare sellers for the best conversation and engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. | Dan Schleifer | 2012 | His website: http://www.destinationcrm.com/Articles/Web-Exclusives/Viewpoints/Extending-the-Definition-of-Social-CRM-84164.aspx | N/A |
| SCRM activities combine one or more CRM processes with Social Media specific process activities and interactions through Social Media. | Olaf Reinhold and Rainer Alt | 2012 | Proceedings of the 25th Bled eConference eDependability: Reliable and Trustworthy eStructures, eProcesses, eOperations and eServices for the Future. June 17-20, 2012. Bled, Slovenia. | 157 |
| Social CRM is the integration of traditional operational customer facing activities including strategies, programs, systems, and technologies with emergent social channels to provide business with the means to communicate and engage with customers in their preferred channels for mutual benefit. | Paul Greenberg, in an article written by Brian Solis | 2011 | His website: http://www.briansolis.com/2011/12/social-crm-doesn't-exist-but-theres-a-need-for-definition/ | N/A |
| Social CRM recognizes that instead of managing customers, the role of the business is to facilitate collaborative experiences and dialogue that customer's value. | Carolyn Heller Baird and Gautam Parasnis | 2011 | Strategy and Leadership 39 (5) | 30 |
| In social CRM, the customer is actually the focal point of how an organization operates. Instead of marketing or pushing messages to customers, brands now talk to and collaborate with customers to solve business problems, empower customers to shape their own experiences and build customer relationships, which will hopefully turn into customer advocates. | Jacob Morgan | 2010 | Social Media Examiner Website: http://www.socialmediaexaminer.com/what-is-social-crm/ | N/A |
| Given the issues related to the pitfalls and dark sides of CRM, we offer a revitalized definition of CRM, as: The purposive use of customer knowledge and technologies to help firms generate customized offerings on an individual basis based on fairness and trust in order to enhance and maintain quality relationships with all involved parties. | Nguyen | 2012 | Business Process Management Journal 18 (3) | 413 |

Appendix B: Relationship tables

| Impacts of customer engagement | |
|--|---|
| Positive impact on overall sales | Jack Neff (2007) Gallup (2009) Thackeray et al. (2008) Van Doorn et al. (2010) |
| Growth ratio superior to the industry average | Gallup (2009) |
| Provides a competitive advantage | Voyles (2007) Sedley (2008) |
| Predictor of future business performance | Sedley and Perks (2008) |
| Positive impact on revenue (over the average customer) | Gallup (2009) |
| Positive impact on profitability | Gallup (2009) Voyles (2007) |
| Positive impact on share of wallet (over the average customer) | Gallup (2009) |
| Positive impact on customers' purchase intentions and behaviours | Forrester Consulting (2008) Van Doorn et al. (2010) |
| Positive impact on customers' interaction levels and participation | Forrester Consulting (2008) |
| Emotional bonding between the customer and the brand | Gallup (2009) Brodie et al. (2011) |
| Positive impact on customers' satisfaction | Bowden (2009) Brodie et al. (2011) Van Doorn et al. (2010) |
| Positive impact on customer loyalty | Bowden (2009) Thackeray et al. (2008) Brodie et al. (2011) Gallup (2009) Vivek et al. (2012) Van Doorn et al. (2010) |
| Positive impact on customer recommendations and referrals | Thackeray et al. (2008) Van Doorn et al. (2010) |
| Positive impact on consumer empowerment | Brodie et al. (2011) |
| Positive impact on consumer trust | Brodie et al. (2011) Sashi (2012) Vivek et al. (2012) |
| Positive impact on consumer commitment | Brodie et al. (2011) Sashi (2012) Vivek et al. (2012) |
| Positive impact on word-of-mouth | Vivek et al. (2012) Van Doorn et al. (2010) |
| Impact on the firm's reputation | Van Doorn et al. (2010) |
| Positive impact on the firm's knowledge about customers | Van Doorn et al. (2010) |
| Positive impact on the firm's efficiency | Van Doorn et al. (2010) |
| Positive impact on firm's transparency | Van Doorn et al. (2010) |
| Positive impact on the information available to competitors | Van Doorn et al. (2010) |

| Impacts of Customer Relationship Management | |
|---|---|
| Risks of exploitation of consumer privacy and value | Nguyen (2012) Boulding et al. (2005) |
| Risk of favouritism and differential treatment | Nguyen (2012) Huppertz et al. (1978) Kahneman et al. (1986) Feinberg, Krishna and Zhang (2002) |
| Risk of negative impact on relationship and mutual trust | Nguyen (2012) Woodcock et al. (2011) Lewis (2005) Morgan (2010) Boulding et al. (2005) |
| Positive impact on profitability | Ryal (2005) Lewis (2005) Tuzhilin (2010) |
| Positive impact on customers' satisfaction | Srinivasan and Moorman (2005) Jayachandran et al. (2005) Mithas et al. (2005) |
| Positive impact on customer' retention and loyalty | Jayachandran et al. (2005) Gustafsson et al. (2005) Tuzhilin (2010) |
| Positive impact on sales | Tuzhilin (2010) |
| Positive impact on the firm's knowledge about customers | Mithas et al. (2005) |
| Allowing businesses and brands to acquire the right customers | Cao and Gruca (2005) Tuzhilin (2010) |

| Impacts of Social Customer Relationship Management | |
|---|--|
| Positive impact on the consumer experience | Sashi (2012) |
| Positive impact on firm efficiency | Orlikowski and Thompson (2010) Baird and Parasnis (2011) |
| Creation of new communication possibilities | Woodcock et al. (2011) |
| Positive impact on the firm's knowledge about customers | Solis (2011) |
| Positive impact on firm's transparency | Orlikowski and Thompson (2010) |
| Positive impact on customer engagement | Woodcock et al. (2011) |
| Positive impact of customer acquisition | Woodcock et al. (2011) Breslauer and Smith (2009) Orlikowski and Thompson (2010) |
| Positive impact on customer retention | Woodcock et al. (2011) |
| Positive impact on customer advocacy | Woodcock et al. (2011) |
| Positive impact on market penetration and development of new client segment | Woodcock et al. (2011) Breslauer and Smith (2009) Orlikowski and Thompson (2010) |
| Positive impact on sales | Woodcock et al. (2011) |
| Positive impact on market share | Woodcock et al. (2011) |
| Cost reduction | Orlikowski and Thompson (2010) Baird and Parasnis (2011) |
| Positive impact on the firm's reputation | Orlikowski and Thompson (2010) |
| Positive impact on innovation | Orlikowski and Thompson (2010) |

Appendix C: Consent form Phase 1

CONSENT TO PARTICIPATE IN A CONSUMER ENGAGEMENT STUDY

I understand that I have been asked to participate in a research project being conducted by Mélissa Noël of the John Molson School of Business of Concordia University (514.847.8733, email: melissa.noel@ihg.com); under the supervision of Dr. Bianca Grohmann of the John Molson School of Business of Concordia University (Phone 514.848.2424 ext: 4845, email: bgrohmann@jmsb.concordia.ca).

A. PURPOSE

I have been informed that the purpose of the research is to examine the impact of a Social Customer Relationship Management (SCRM) system on the development of customer engagement in the restaurant industry.

B. PROCEDURES

I understand that I will be asked to fill out a questionnaire about my perceptions of this restaurant as well as several demographic categorization questions. Participation in the study takes approximately 10 minutes.

C. RISKS AND BENEFITS

I understand that no deception is involved, and that the study involves no risk to participants (i.e., the level of risk encountered in daily life). Once I have completed the questionnaire, I will receive a \$10 discount coupon for the restaurant and a chance to win a gift certificate in the draw held after the data collection period.

D. CONDITIONS OF PARTICIPATION

- I understand that I am free to withdraw my consent and discontinue my participation at anytime without negative consequences. I can simply return the empty or partially completed questionnaire and ask that it be deleted.
- I understand that my participation in this study is CONFIDENTIAL.
- I understand that the data from this study may be published. The results will be published in aggregate form, which means that my responses cannot be traced back to me.

If at any time you have questions about the proposed research, please contact the study's Principal investigator, Mélissa Noël of the John Molson School of Business of Concordia University (514.847.8733, email: melissa.noel@ihg.com); under the supervision of Dr. Bianca Grohmann of the John Molson School of Business of Concordia University (Phone 514.848.2424 ext:4845, email: bgrohmann@jmsb.concordia.ca). If at any time you have questions about your rights as a research participant, please contact the Manager, Research Ethics, Concordia University, 514.848.2424 ex. 7481 oor.ethics@concordia.ca.

I HAVE CAREFULLY STUDIED THE ABOVE AND UNDERSTAND THIS AGREEMENT. I FREELY CONSENT AND VOLUNTARILY AGREE TO PARTICIPATE IN THIS STUDY.

1- Yes

2- No

Appendix D: Questionnaire Phase 1

1. Overall, how satisfied are you with *Oscos!* restaurant/Sarah B. bar? (GalOvSat1)
 - 1- *Not at all satisfied*
 - 2- *Slightly satisfied*
 - 3- *Moderately satisfied*
 - 4- *Very satisfied*
 - 5- *Extremely satisfied*

2. How likely are you to continue to choose *Oscos!* restaurant/Sarah B. bar? (GalOvSat2)
 - 1- *Extremely unlikely*
 - 2- *Unlikely*
 - 3- *Neutral*
 - 4- *Likely*
 - 5- *Extremely likely*

3. How likely are you to recommend *Oscos!* restaurant/Sarah B. bar to a friend/associate? (GalOvSat3)
 - 1- *Extremely unlikely*
 - 2- *Unlikely*
 - 3- *Neutral*
 - 4- *Likely*
 - 5- *Extremely likely*

Confidence:

4. *Oscos!* restaurant/Sarah B. bar is a name I can always trust. (GalConf4)
 - 1- *Strongly disagree*
 - 2- *Disagree*
 - 3- *Neither agree or disagree*
 - 4- *Agree*
 - 5- *Strongly agree*

5. *Oscos!* restaurant/Sarah B. bar always delivers on what they promise. (GalConf5)
 - 1- *Strongly disagree*
 - 2- *Disagree*
 - 3- *Neither agree or disagree*
 - 4- *Agree*
 - 5- *Strongly agree*

Integrity:

6. *Oscos!* restaurant/Sarah B. bar always treats me fairly. (GalInt6)
 - 1- *Strongly disagree*
 - 2- *Disagree*
 - 3- *Neither agree or disagree*
 - 4- *Agree*
 - 5- *Strongly agree*

7. If a problem arises, I can always count on *Oscos!* restaurant/Sarah B. bar to reach a fair and satisfactory resolution. (GalInt7)
 - 1- *Strongly disagree*
 - 2- *Disagree,*
 - 3- *Neither agree or disagree*

- 4- Agree
- 5- Strongly agree

Pride:

8. I feel proud to be a *Oscos!* restaurant/Sarah B. bar customer. (GalPride8)

- 1- Strongly disagree
- 2- Disagree
- 3- Neither agree or disagree
- 4- Agree
- 5- Strongly agree

9. *Oscos!* restaurant/Sarah B. bar always treats me with respect. (GalPride9)

- 1- Strongly disagree
- 2- Disagree
- 3- Neither agree or disagree
- 4- Agree
- 6- Strongly agree

Passion:

10. *Oscos!* restaurant/Sarah B. bar is the perfect restaurant for people like me. (GalPass10)

- 1- Strongly disagree
- 2- Disagree
- 3- Neither agree or disagree
- 4- Agree
- 5- Strongly agree

11. I can't imagine a world without *Oscos!* restaurant/Sarah B. bar. (GalPass11)

- 1- Strongly disagree
- 2- Disagree
- 3- Neither agree or disagree
- 4- Agree
- 5- Strongly agree

Affective commitment:

12. My relationship with *Oscos!* restaurant/Sarah B. bar has a great deal of personal meaning to me. (AffCom12)

- 1- Strongly disagree
- 2- Disagree
- 3- Somewhat disagree
- 4- Neither agree or disagree
- 5- Somewhat agree
- 6- Agree
- 7- Strongly agree

13. I enjoy discussing *Oscos!* restaurant/Sarah B. bar with other people. (AffCom13)

- 1- Strongly disagree
- 2- Disagree
- 3- Somewhat disagree
- 4- Neither agree or disagree
- 5- Somewhat agree
- 6- Agree

7- *Strongly agree*

14. I feel like part of the family at this restaurant/bar. (AffCom14)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

5- *Neither agree or disagree*

6- *Somewhat agree*

7- *Agree*

8- *Strongly agree*

15. My level of emotional attachment to *Oscos!* restaurant/Sarah B. bar is: (AffCom15)

1- *Not at all important*

2- *Low importance*

3- *Slightly important*

4- *Neutral*

5- *Moderately important*

6- *Very important*

7- *Extremely important*

16. The strength of my commitment to *Oscos!* restaurant/Sarah B. bar is: (AffCom16)

1- *Not at all important*

2- *Low importance*

3- *Slightly important*

4- *Neutral*

5- *Moderately important*

6- *Very important*

7- *Extremely important*

17. The level of my personal relationship between *Oscos!* restaurant/Sarah B. bar's staff and myself:
(AffCom17)

1- *Not at all important*

2- *Low importance*

3- *Slightly important*

4- *Neutral*

5- *Moderately important*

6- *Very important*

7- *Extremely important*

Cognitive commitment:

18. If *Oscos!* restaurant/Sarah B. bar were to close, it would make little difference if I had to choose another restaurant. (CogCom18 – REVERSE: CogCom18_Reverse)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

4- *Neither agree or disagree*

5- *Somewhat agree*

6- *Agree*

7- *Strongly agree*

19. I consider myself loyal to *Oscos!* restaurant/Sarah B. bar. (CogCom19)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Somewhat disagree*
- 4- *Neither agree or disagree*
- 5- *Somewhat agree*
- 6- *Agree*
- 7- *Strongly agree*

20. When another restaurant runs specials, I generally go to them rather than patronize *Osco!* restaurant/Sarah B. bar. (CogCom20 - REVERSE: CogCom20_Reverse)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Somewhat disagree*
- 4- *Neither agree or disagree*
- 5- *Somewhat agree*
- 6- *Agree*
- 7- *Strongly agree*

Satisfaction:

21. How would you rate your level of satisfaction with the quality of service? (Satis21)
1 (very low) – 5 (very high) semantic differential scale

22. How would you rate your overall satisfaction with this restaurant? (Satis22)
1 (very low) – 5 (very high) semantic differential scale

23. How would you rate this restaurant compared with other restaurants on overall satisfaction? (Satis23)
1 (very low) – 5 (very high) semantic differential scale

Trust:

24. The quality of service at this restaurant is consistently high. (Trust24)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

25. The service performance at this restaurant always meets my expectations. (Trust25)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

26. I am concerned that the service performance will not be worth the money. (Trust 26 – REVERSE: Trust26_Reverse)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

27. The ingredients and quality of food at this restaurant are reliable. (Trust27)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

Loyalty behaviour:

28. I say positive things about *Oscos!* restaurant/Sarah B. bar to other people. (LoyalBe28)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

4- *Neither agree or disagree*

5- *Somewhat agree*

6- *Agree*

7- *Strongly agree*

29. I recommend *Oscos!* restaurant/Sarah B. bar to anyone who seeks my advice. (LoyalBe29)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

4- *Neither agree or disagree*

5- *Somewhat agree*

6- *Agree*

7- *Strongly agree*

30. I encourage friends and relatives to do business with *Oscos!* restaurant/Sarah B. bar. (LoyalBe30)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

4- *Neither agree or disagree*

5- *Somewhat agree*

6- *Agree*

7- *Strongly agree*

31. I consider *Oscos!* restaurant/Sarah B. bar my first choice for dining out. (LoyalBe31)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

4- *Neither agree or disagree*

5- *Somewhat agree*

6- *Agree*

7- *Strongly agree*

Involvement:

32. The relationship that I share with *Oscos!* restaurant/Sarah B. bar is something that is very important to me. (Invol32)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

- 4- *Agree*
- 5- *Strongly agree*

33. The relationship that I share with *Oscor!* restaurant/Sarah B. bar is something that deserves my maximum effort to maintain. (Invol33)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

34. I am very cautious in trying new/different products. (Invol34)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

35. I would rather stick with a brand that I know than try something that I am not very sure of. (Invol35)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

36. I enjoy taking chances in buying unfamiliar brands just to get some variety in my purchases. (Invol36 – REVERSE: Invol36_Reverse)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

37. I constantly compare the prices and rates offered by various restaurants in the area. (Invol37)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

38. The brand image of the restaurant/bar played a major role in my decision to become a customer. (Invol38)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

39. I called various other restaurants in the area before I decided to visit this one. (Invol39)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

40. I compared the prices and rates of several restaurants in this area before I selected this one. (Invol40)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

41. A frequent-guest program influences my choice in restaurants. (Invol41)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

42. Choosing a restaurant is an important decision for me. (Invol42)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

43. All restaurants are alike in the type and quality of services they offer. (Invol43 – REVERSE: Invol43_Reverse)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

44. The restaurant I visit says a lot about who I am. (Invol44)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

45. It is important for me to choose a restaurant that “feels” right. (Invol45)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

46. After deciding on *Oscos!* restaurant/Sarah B. bar, I have compared this restaurant with others in the area. (Invol46)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

47. After deciding on *Oscos!* restaurant/Sarah B. bar, I have weighed the pros and cons of my choice. (Invol47)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

48. A bad choice in selecting a restaurant could bring you grief. (Invol48)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

Word of mouth:

49. I want to tell other people positive things about this restaurant. (WOM49)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

50. I want to recommend this restaurant to my friends and relatives. (WOM50)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

Frequency of visit and intentions to revisit:

51. How often do you visit *Oscos!* restaurant/Sarah B. bar? (FVisIVis51)

- 1- *Once a year or less*
- 2- *A few times per year*
- 3- *Once a month*
- 4- *Once a week*
- 5- *A few times per week*
- 6- *Everyday or almost every day*

52. When are you planning on coming back? (FVisIVis52)

- 1- *Uncertain*
- 2- *This year*
- 3- *Within the next few months*
- 4- *This month*
- 5- *This week*

53. Would you be interested in subscribing to a program rewarding you based on the money you spend at *Oscos!* restaurant/Sarah B. bar? (SCRM53)

- 1- *Yes*
- 2- *No*
- 3- *Uncertain*

54. Which of the following rewards would be of interest to you? Select as many as you want. (SCRM54)

- 1- *Special event or experience access*
- 2- *Percentage of discount on your restaurant/bar tab (single use)*
- 3- *Percentage of discount on your restaurant/bar tab (available for all your visits)*
- 4- *Complimentary item from the menu*
- 5- *Complimentary drink or glass of wine*
- 6- *2 for 1 coupon*
- 7- *Complimentary hotel stay*
- 8- *Complimentary meal at *Oscos!* restaurant/Sarah B. bar*
- 9- *Special discount at boutiques or stores located near the hotel*

55. How often do you use Internet? (Int55)

- 1- *Never*
- 2- *Almost never*
- 3- *Occasionally*
- 4- *Almost every day*
- 5- *Every day*

56. What purposes do you typically use the Internet for? (Int56)

- 1- *Personal*
- 2- *Business*
- 3- *Both*

57. Do you own a smart phone? (Int57)

- 1- *Yes*
- 2- *No*

58. Do you have an e-mail address? (Int58)

- 1- *Yes*
- 2- *No but I am considering it*
- 3- *No and I am not considering it*

59. How often do you check your e-mail inbox? (Int59)

- 1- *Never*
- 2- *Almost never*
- 3- *Occasionally*
- 4- *Almost every day*
- 5- *Every day*
- 6- *Not applicable*

60. Do you have a Facebook account? (Int60)

- 1- *Yes*
- 2- *No but I am considering it*
- 3- *No and I am not considering it*

61. How often do you engage (check your wall, post content, like or share) on Facebook? (Int61)

- 1- *Never*
- 2- *Almost never*
- 3- *Occasionally*
- 4- *Almost every day*
- 5- *Every day*
- 6- *Not applicable*

62. Who do you connect with on Facebook? (Int62)

- 1- *Friends*
- 2- *Family*
- 3- *Groups with similar interests*
- 4- *Brands*
- 5- *Local businesses*
- 6- *Non applicable*

63. Do you have a Twitter account? (Int63)

- 1- *Yes*
- 2- *No*

64. How often do you engage (check your feed or tweet) on Twitter? (Int 64)

- 1- *Never*
- 2- *Almost never*
- 3- *Occasionally*
- 4- *Almost every day*
- 5- *Every day*
- 6- *Not applicable*

65. Who do you connect with on Twitter? (Int65)

- 1- *Friends*
- 2- *Family*
- 3- *Groups with similar interests*
- 4- *Brands*
- 5- *Local businesses*
- 6- *Not applicable*

66. What is your age? (Age66)

- 1- *Less than 20 years old*
- 2- *20 to 29 years old*
- 3- *30 to 39 years old*
- 4- *40 to 49 years old*
- 5- *50 to 59 years old*
- 6- *60 years old or older*

67. Are you Male or Female? (Sex67)

- 1- *Male*
- 2- *Female*

68. What is the highest level of education you have completed? (Ed68)

- 1- *Less than high school*

- 2- *High school (D.E.S.)*
- 3- *CEGEP (D.E.C.)*
- 4- *University, Undergraduate degree*
- 5- *University, Graduate degree*

69. What is your annual income? (Sal69)

- 1- *Less than \$25,000*
- 2- *Between \$25,000 and \$49,999*
- 3- *Between \$50,000 and \$74,999*
- 4- *Between \$75,000 and \$99,999*
- 5- *\$100,000 or more*

70. Do you have children? (Chil70)

- 1- *Yes*
- 2- *No*

71. If so, how many children live in your household who are... (Chil71)

- 1- *Less than 5 years old?*
- 2- *5 through 12 years old?*
- 3- *13 through 17 years old?*
- 4- *17 years old or older?*

Appendix E: Consent form Phase 2

CONSENT TO PARTICIPATE IN A CONSUMER ENGAGEMENT STUDY

I understand that I have been asked to participate in a research project being conducted by Mélissa Noël of the John Molson School of Business of Concordia University (514.847.8733, email: melissa.noel@ihg.com); under the supervision of Dr. Bianca Grohmann of the John Molson School of Business of Concordia University (Phone 514.848.2424 ext: 4845, email: bgrohmann@jmsb.concordia.ca).

A. PURPOSE

I have been informed that the purpose of the research is to examine the impact of a Social Customer Relationship Management (SCRM) system on the development of customer engagement in the restaurant industry.

B. PROCEDURES

I understand that I will be asked to fill out a questionnaire about my perceptions of this restaurant as well as several demographic categorization questions. Participation in the study takes approximately 10 minutes.

C. RISKS AND BENEFITS

I understand that no deception is involved, and that the study involves no risk to participants (i.e., the level of risk encountered in daily life). Once I have completed the questionnaire, I will receive 2000 points in my 27th Level account.

D. CONDITIONS OF PARTICIPATION

- I understand that I am free to withdraw my consent and discontinue my participation at anytime without negative consequences. I can simply return the empty or partially completed questionnaire and ask that it be deleted.
- I understand that my participation in this study is CONFIDENTIAL.
- I understand that the data from this study may be published. The results will be published in aggregate form, which means that my responses cannot be traced back to me.

If at any time you have questions about the proposed research, please contact the study's Principal investigator, Mélissa Noël of the John Molson School of Business of Concordia University (514.847.8733, email: melissa.noel@ihg.com); under the supervision of Dr. Bianca Grohmann of the John Molson School of Business of Concordia University (Phone 514.848.2424 ext:4845, email: bgrohmann@jmsb.concordia.ca). If at any time you have questions about your rights as a research participant, please contact the Manager, Research Ethics, Concordia University, 514.848.2424 ex. 7481 oor.ethics@concordia.ca.

I HAVE CAREFULLY STUDIED THE ABOVE AND UNDERSTAND THIS AGREEMENT. I FREELY CONSENT AND VOLUNTARILY AGREE TO PARTICIPATE IN THIS STUDY.

1- Yes

2- No

Appendix F: Questionnaire Phase 2

1. Overall, how satisfied are you with *Oscos!* restaurant/Sarah B. bar? (GalOvSat1)
 - 1- *Not at all satisfied*
 - 2- *Slightly satisfied*
 - 3- *Moderately satisfied*
 - 4- *Very satisfied*
 - 5- *Extremely satisfied*

2. How likely are you to continue to choose *Oscos!* restaurant/Sarah B. bar? (GalOvSat2)
 - 1- *Extremely unlikely*
 - 2- *Unlikely*
 - 3- *Neutral*
 - 4- *Likely*
 - 5- *Extremely likely*

3. How likely are you to recommend *Oscos!* restaurant/Sarah B. bar to a friend/associate? (GalOvSat3)
 - 1- *Extremely unlikely*
 - 2- *Unlikely*
 - 3- *Neutral*
 - 4- *Likely*
 - 5- *Extremely likely*

Confidence:

4. *Oscos!* restaurant/Sarah B. bar is a name I can always trust. (GalConf4)
 - 1- *Strongly disagree*
 - 2- *Disagree*
 - 3- *Neither agree or disagree*
 - 4- *Agree*
 - 5- *Strongly agree*

5. *Oscos!* restaurant/Sarah B. bar always delivers on what they promise. (GalConf5)
 - 1- *Strongly disagree*
 - 2- *Disagree*
 - 3- *Neither agree or disagree*
 - 4- *Agree*
 - 5- *Strongly agree*

Integrity:

6. *Oscos!* restaurant/Sarah B. bar always treats me fairly. (GalInt6)
 - 1- *Strongly disagree*
 - 2- *Disagree*
 - 3- *Neither agree or disagree*
 - 4- *Agree*
 - 5- *Strongly agree*

7. If a problem arises, I can always count on *Oscos!* restaurant/Sarah B. bar to reach a fair and satisfactory resolution. (GalInt7)
 - 1- *Strongly disagree*

- 2- *Disagree*,
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

Pride:

8. I feel proud to be a *Oscos!* restaurant/Sarah B. bar customer. (GalPride8)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

9. *Oscos!* restaurant/Sarah B. bar always treats me with respect. (GalPride9)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 6- *Strongly agree*

Passion:

10. *Oscos!* restaurant/Sarah B. bar is the perfect restaurant for people like me. (GalPass10)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

11. I can't imagine a world without *Oscos!* restaurant/Sarah B. bar. (GalPass11)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

Affective commitment:

12. My relationship with *Oscos!* restaurant/Sarah B. bar has a great deal of personal meaning to me. (AffCom12)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Somewhat disagree*
- 4- *Neither agree or disagree*
- 5- *Somewhat agree*
- 6- *Agree*
- 7- *Strongly agree*

13. I enjoy discussing *Oscos!* restaurant/Sarah B. bar with other people. (AffCom13)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Somewhat disagree*
- 4- *Neither agree or disagree*

- 5- *Somewhat agree*
- 6- *Agree*
- 7- *Strongly agree*

14. I feel like part of the family at this restaurant/bar. (AffCom14)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Somewhat disagree*
- 5- *Neither agree or disagree*
- 6- *Somewhat agree*
- 7- *Agree*
- 8- *Strongly agree*

15. My level of emotional attachment to *Oscos!* restaurant/Sarah B. bar is: (AffCom15)

- 1- *Not at all important*
- 2- *Low importance*
- 3- *Slightly important*
- 4- *Neutral*
- 5- *Moderately important*
- 6- *Very important*
- 7- *Extremely important*

16. The strength of my commitment to *Oscos!* restaurant/Sarah B. bar is: (AffCom16)

- 1- *Not at all important*
- 2- *Low importance*
- 3- *Slightly important*
- 4- *Neutral*
- 5- *Moderately important*
- 6- *Very important*
- 7- *Extremely important*

17. The level of my personal relationship between *Oscos!* restaurant/Sarah B. bar's staff and myself: (AffCom17)

- 1- *Not at all important*
- 2- *Low importance*
- 3- *Slightly important*
- 4- *Neutral*
- 5- *Moderately important*
- 6- *Very important*
- 7- *Extremely important*

Cognitive commitment:

18. If *Oscos!* restaurant/Sarah B. bar were to close, it would make little difference if I had to choose another restaurant. (CogCom18 – REVERSE: CogCom18_Reverse)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Somewhat disagree*
- 4- *Neither agree or disagree*
- 5- *Somewhat agree*
- 6- *Agree*
- 7- *Strongly agree*

19. I consider myself loyal to *Oscos!* restaurant/Sarah B. bar. (CogCom19)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

4- *Neither agree or disagree*

5- *Somewhat agree*

6- *Agree*

7- *Strongly agree*

20. When another restaurant runs specials, I generally go to them rather than patronize *Oscos!* restaurant/Sarah B. bar. (CogCom20 - REVERSE: CogCom20_Reverse)

1- *Strongly disagree*

2- *Disagree*

3- *Somewhat disagree*

4- *Neither agree or disagree*

5- *Somewhat agree*

6- *Agree*

7- *Strongly agree*

Satisfaction:

21. How would you rate your level of satisfaction with the quality of service? (Satis21)

1 (very low) – 5 (very high) semantic differential scale

22. How would you rate your overall satisfaction with this restaurant? (Satis22)

1 (very low) – 5 (very high) semantic differential scale

23. How would you rate this restaurant compared with other restaurants on overall satisfaction? (Satis23)

1 (very low) – 5 (very high) semantic differential scale

Trust:

24. The quality of service at this restaurant is consistently high. (Trust24)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

25. The service performance at this restaurant always meets my expectations. (Trust25)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

26. I am concerned that the service performance will not be worth the money. (Trust 26 – REVERSE: Trust26_Reverse)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

- 4- Agree
- 5- Strongly agree

27. The ingredients and quality of food at this restaurant are reliable. (Trust27)

- 1- Strongly disagree
- 2- Disagree
- 3- Neither agree or disagree
- 4- Agree
- 5- Strongly agree

Loyalty behaviour:

28. I say positive things about *Oscos!* restaurant/Sarah B. bar to other people. (LoyalBe28)

- 1- Strongly disagree
- 2- Disagree
- 3- Somewhat disagree
- 4- Neither agree or disagree
- 5- Somewhat agree
- 6- Agree
- 7- Strongly agree

29. I recommend *Oscos!* restaurant/Sarah B. bar to someone who seeks my advice. (LoyalBe29)

- 1- Strongly disagree
- 2- Disagree
- 3- Somewhat disagree
- 4- Neither agree or disagree
- 5- Somewhat agree
- 6- Agree
- 7- Strongly agree

30. I encourage friends and relatives to do business with *Oscos!* restaurant/Sarah B. bar. (LoyalBe30)

- 1- Strongly disagree
- 2- Disagree
- 3- Somewhat disagree
- 4- Neither agree or disagree
- 5- Somewhat agree
- 6- Agree
- 7- Strongly agree

31. I consider *Oscos!* restaurant/Sarah B. bar my first choice for dining out. (LoyalBe31)

- 1- Strongly disagree
- 2- Disagree
- 3- Somewhat disagree
- 4- Neither agree or disagree
- 5- Somewhat agree
- 6- Agree
- 7- Strongly agree

Involvement:

32. The relationship that I share with *Oscos!* restaurant/Sarah B. bar is something that is very important to me. (Invol32)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

33. The relationship that I share with *Oscor!* restaurant/Sarah B. bar is something that deserves my maximum effort to maintain. (Invol33)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

34. I am very cautious in trying new/different products. (Invol34)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

35. I would rather stick with a brand that I know than try something that I am not very sure of. (Invol35)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

36. I enjoy taking chances in buying unfamiliar brands just to get some variety in my purchases. (Invol36 – REVERSE: Invol36_Reverse)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

37. I constantly compare the prices and rates offered by various restaurants in the area. (Invol37)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

38. The brand image of the restaurant/bar played a major role in my decision to become a customer. (Invol38)

- 1- *Strongly disagree*
- 2- *Disagree*
- 3- *Neither agree or disagree*
- 4- *Agree*
- 5- *Strongly agree*

39. I called various other restaurants in the area before I decided to visit this one. (Invol39)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

40. I compared the prices and rates of several restaurants in this area before I selected this one. (Invol40)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

41. A frequent-guest program influences my choice in restaurants. (Invol41)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

42. Choosing a restaurant is an important decision for me. (Invol42)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

43. All restaurants are alike in the type and quality of services they offer. (Invol43 – REVERSE:

Invol43_Reverse)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

44. The restaurant I visit says a lot about who I am. (Invol44)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

45. It is important for me to choose a restaurant that “feels” right. (Invol45)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

46. After deciding on *Oscos!* restaurant/Sarah B. bar, I have compared this restaurant with others in the area. (Invol46)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

47. After deciding on *Oscos!* restaurant/Sarah B. bar, I have weighed the pros and cons of my choice. (Invol47)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

48. A bad choice in selecting a restaurant could bring you grief. (Invol48)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

Word of mouth:

49. I want to tell other people positive things about this restaurant. (WOM49)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

50. I want to recommend this restaurant to my friends and relatives. (WOM50)

1- *Strongly disagree*

2- *Disagree*

3- *Neither agree or disagree*

4- *Agree*

5- *Strongly agree*

Frequency of visit and intentions to revisit:

51. How often do you visit *Oscos!* restaurant/Sarah B. bar. (FVisIVis51)

1- *Once a year or less*

2- *A few times per year*

3- *Once a month*

4- *Once a week*

5- *A few times per week*

6- *Everyday or almost every day*

52. When are you planning on coming back? (FVisIVis52)

1- *Uncertain*

2- *This year*

3- *Within the next few months*

4- *This month*

5- *This week*

53. How often do you use Internet? (Int53)

1- *Never*

2- *Almost never*

3- *Occasionally*

4- *Almost every day*

5- *Every day*

54. What purposes do you typically use the Internet for? (Int54)

1- *Personal*

2- *Business*

3- *Both*

55. Do you own a smart phone? (Int55)

1- *Yes*

2- *No*

56. Do you have an e-mail address? (Int56)

1- *Yes*

2- *No but I am considering it*

3- *No and I am not considering it*

57. How often do you check your e-mail inbox? (Int57)

1- *Never*

2- *Almost never*

3- *Occasionally*

4- *Almost every day*

5- *Every day*

6- *Not applicable*

58. Do you have a Facebook account? (Int58)

1- *Yes*

2- *No but I am considering it*

3- *No and I am not considering it*

59. How often do you engage (check your wall, post content, like or share) on Facebook? (Int59)

1- *Never*

2- *Almost never*

3- *Occasionally*

4- *Almost every day*

5- *Every day*

6- *Not applicable*

60. Who do you connect with on Facebook? (Int60)

1- *Friends*

2- *Family*

3- *Groups with similar interests*

4- *Brands*

5- *Local businesses*

6- *Not applicable*

61. Do you have a Twitter account? (Int61)

1- *Yes*

2- *No*

62. How often do you engage (check your feed or tweet) on Twitter? (Int 62)

1- *Never*

2- *Almost never*

3- *Occasionally*

4- *Almost every day*

5- *Every day*

6- *Not applicable*

63. Who do you connect with on Twitter? (Int63)

1- *Friends*

2- *Family*

3- *Groups with similar interests*

4- *Brands*

5- *Local businesses*

6- *Not applicable*

64. What is your age? (Age64)

1- *Less than 20 years old*

2- *20 to 29 years old*

3- *30 to 39 years old*

4- *40 to 49 years old*

5- *50 to 59 years old*

6- *60 years old or older*

65. Are you Male or Female? (Sex65)

1- *Male*

2- *Female*

66. What is the highest level of education you have completed? (Ed66)

1- *Less than high school*

2- *High school (D.E.S.)*

3- *CEGEP (D.E.C.)*

4- *University, Undergraduate degree*

5- *University, Graduate degree*

67. What is your annual income? (Sal67)

1- *Less than \$25,000 etc.*

2- *Between 25 000\$ and 49 999\$*

3- *Between 50 000\$ and 74 999\$*

4- *Between 75 000\$ and 99 999\$*

5- *100 000\$ or more*

68. Do you have children? (Chil68)

1- *Yes*

2- *No*

69. To receive your bonus points, please indicate your Member ID: