

Media Marketing," MIT Sloan Management Review, 56, 2, 7–10.

117. Sénécal, Sylvain, Jamel-Edine Gharbi, and Jacques Nantel (2002), "The
118. Influence of Flow on Hedonic and Utilitarian Shopping Values," in *Advances in Consumer Research*. Susan M. Broniarczyk, Kent Nakamoto, editors. 29, Valdosta, GA: Association for Consumer Research. 483–4.
119. Shankar, Venkatesh, Amy K. Smith, and Arvind Rangaswamy (2003), "Customer Satisfaction and Loyalty in Online and Offline Environments," *International Journal of Research in Marketing*, 20, 2, 153–75.
120. Singh, Sonica (2013), "Generation Z: Rules to Reach the Multinational Consumer. Insights 2014: Connecting Technology and Story in an Always-On World," (available at http://www.sapient.com/content/dam/sapient/sapientnitro/pdfs/insights/ALL_Insights_2014.pdf, 49–56, accessed June 21, 2016).
121. Skadberg, Yongxia Xia and James R. Kimmel (2004), "Visitors' Flow
122. Experience While Browsing a Web Site: Its Measurement, Contributing Factors, and Consequences," *Computers in Human Behavior*, 20, 403–22.
123. Smith, Amy K. and Ruth N. Bolton (1998), "An Experimental Investigation of Customer Reactions to Service Failure and Recovery Encounters Paradox or
124. Peril," *Journal of Service Research*, 1, 1, 65–81.
125. Stewart, David W. and Paul A. Pavlou (2002), "From Consumer Response to Active Consumer: Measuring the Effectiveness of Interactive Media,"
126. *Journal of Advertising*, 30, 4, 376–96.
127. Szymanski, David M. and David H. Henard (2001), "Customer Satisfaction: A Meta-analysis of the Empirical Evidence," *Journal of the Academy of*
128. *Marketing Science*, 29, Winter, 16–35.
129. Van den Bulte, Christophe and Stefan Wuyts (2007), *Social Networks and Marketing*. Cambridge, MA: Marketing Science Institute.
130. van Doorn, Jenny, Katherine N. Lemon, Vikas Mittal, Stephan Nass, Peter Pirner, and Peter C. Verhoef (2010), "Customer Engagement Behavior: Theoretical Foundations and Research Directions," *Journal of Service Research*, 13, 3, 253–66.
131. Van Noort, Guda, Hilde A.M. Voorveld, and Eva A. van Reijmersdal (2012), "Interactivity in Brand Websites: Cognitive, Affective, and Behavioral Responses Explained by Consumers' Online Flow Experience," *Journal of Interactive Marketing*, 26, 4, 223–34.
132. Varadarajan, Rajan, Raji Srinivasan, Gautham Gopal Vadakkepatt, Manjit C. Yadav, Paul A. Pavlou, Dandee Krishnamurthy, and Tom Krause (2010), "Interactive Technologies and Retailing Strategy: A Review, Conceptual Framework and Future Research Directions," *Journal of Interactive Marketing*, 24, May, 96–110.
133. Voorhees, Clay M. and Michael K. Brady (2005), "A Service Perspective on the Drivers of Complaint Intentions," *Journal of Service Research*, 8, November, 192–204.
134. Wang, Xia, Chunling Yu, and Yujie Wei (2012), "Social Media Peer
135. Communication and Impacts on Purchase Intentions: A Consumer Socialization Framework," *Journal of Interactive Marketing*, 26, 4, 198–208.
136. Webster, Jane, Linda K. Trevino, and Lisa Ryan (1993), "The Dimensionality and Correlates of Flow in Human–Computer Interactions," *Computers in Human Behavior*, 9, 4, 411–26.
137. Weinberg, Bruce D., Ko de Ruyter, Chrysanthos Dellarocas, Michael Buck, and Debbie Isobel Keeling (2013), "Destination Social Business: Exploring an Organization's Journey with Social Media, Collaborative Community and Expressive Individuality," *Journal of Interactive Marketing*, 27, November, 299–310.
138. Yi, Youjae (1993), "The Determinants of Consumer Satisfaction: The Moderating Role of Ambiguity," *Advances in Consumer Research*, 20, 502–6.
139. Zeithaml, Valerie A., A. Parasuraman, and Arvind Malhotra (2002), "Service Quality Delivery Through Web Sites: A Critical Review of Extant Knowledge," *Journal*
140. *of the Academy of Marketing Science*, 30, 4, 362–75.

85. 2010. Los Angeles, CA: Muthen & Muthen.
86. Novak, Thomas P., Donna L. Hoffman, and Yiu-Fai Yung (2000), "Measuring the Customer Experience in Online Environments: A Structural Modeling Approach," *Marketing Science*, 19, 1, 22–42.
87. ———, ———, and Adam Duhachek (2003), "The Influence of Goal-directed and Experiential Activities on Online Flow Experiences," *Journal of Consumer Psychology*, 13, 1–2, 3–16.
89. Nysveen, Herbjorn, Per E. Pedersen, and Helge Thorbjørnsen (2005), "Intentions to Use Mobile Services: Antecedents and Cross-service Comparisons," *Journal of the Academy of Marketing Science*, 33, 3, 330–46.
90. Oliver, Richard L. (1980), "A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions," *Journal of Marketing Research*, 17, November, 460–9.
91. ——— and Wayne S. DeSarbo (1988), "Response Determinants in Satisfaction Judgments," *Journal of Consumer Research*, 14, 4, 495–507.
92. ——— (1997), *Satisfaction: A Behavioral Perspective on the Consumer*. New York, NY: Irwin/McGraw-Hill.
93. Pan, Yue and George M. Zinkhan (2006), "Determinants of Retail Patronage: A Meta-analytical Perspective," *Journal of Retailing*, 82, 3, 229–43.
94. Pavlou, Paul A. and David W. Stewart (2000), "Measuring the Effects and Effectiveness of Interactive Advertising: A Research Agenda," *Journal of Interactive Advertising*, 1, 1, 62–78.
95. Petty, Richard E. and John T. Cacioppo (1986), *Communication and Persuasion: Central and Peripheral Routes to Attitude Change*. New York: Springer-Verlag.
96. Rapp, Adam, Lauren S. Beitelspacher, Dhruv Grewal, and Douglas E. Hughes (2013), "Understanding Social Media Effects Across Seller, Retailer, and Consumer Interactions," *Journal of the Academy of Marketing Science*, 41, 5, 547–66.
97. Ratchford, Brian T. (2015), "Some Directions for Research in Interactive Marketing," *Journal of Interactive Marketing*, 29, 5–7.
98. Rettie, Ruth (2001), "An Exploration of Flow During Internet Use," *Internet Research: Electronic Networking Application and Policy*, 11, 2, 103–13.
99. Richard, Marie-Odile and Ramdas Chandra (2005), "A Model of Consumer Web Navigation Behavior: Conceptual Development and Application," *Journal of Business Research*, 58, 8, 1019–29.
100. Rishika, Rishika, Ashish Kumar, Ramkumar Janakiraman, and Ram Bezawada (2013), "The Effect of Customers' Social Media Participation on Customer Visit Frequency and Profitability: An Empirical Investigation," *Information Systems Research*, 24, March, 108–27.
101. Rohm, Andrew J., Velitchka Kaltcheva, and George R. Milne (2013), "A Mixed-method Approach to Examining Brand–Consumer Interactions Driven By Social Media," *Journal of Research in Interactive Marketing*, 7, 4, 295–311.
102. Rose, Susan, Moira Clark, Phillip Samouel, and Neil Hair (2012), "Online Customer Experience in e-Retailing: An Empirical Model of Antecedents and Outcomes," *Journal of Retailing*, 88, 2, 308–22.
103. Satorra, Albert and Peter M. Bentler (2010), "Ensuring Positiveness of the Scaled Difference Chi-square Test Statistic," *Psychometrika*, 75, 2, 243–8.
104. Schau, Hope J., Albert M. Muñoz Jr., and Eric J. Arnould (2009), "How Brand Community Practices Create Value," *Journal of Marketing*, 73, 5, 30–51.
105. Schaufeli, Wilmar B., Marisa Salanova, Vicente González-Romá, and Arnold B. Bakker (2002), "The Measurement of Engagement and Burnout: A Two-sample Confirmatory Factor Analytic Approach," *Journal of Happiness Studies*, 3, 1, 71–92.
106. Schultz, Don E. and James (Jimmy) Peltier (2013), "Social Media's Slippery Slope: Challenges, Opportunities and Future Research Directions," *Journal of Research in Interactive Marketing*, 7, 2, 86–99.
107. Schulze, Christian, Lisa Scholer, and Bernd Skiera (2015), "Customizing Social

Approach to Understanding Customer Satisfaction with E-

58. service of Online Stores," *Journal of Electronic Commerce Research*, 15, 1, 40–57.
59. Igarria, Magid, Saroj Parasuraman, and Jack J. Baroudi (1996), "A Motivational Model of Microcomputer Usage," *Journal of Management Information Systems*, 13, 1, 127–43.
60. Jaiswal, Anand, Rakesh Niraj, and Pingali Venugopal (2010), "Context-general and Context-specific Determinants of Online Satisfaction and Loyalty for Commerce and Content Sites," *Journal of Interactive Marketing*, 24, 222–38.
61. Johnson, Grace C., Gordon C. Bruner, and Anand Kumar (2006), "Interactivity and its Facets Revisited," *Journal of Advertising*, 35, 4, 35–54.
62. Jones, Michael A., David L. Mothersbaugh, and Sharon E. Beatty (2000), "Switching Barriers and Repurchase Intentions in Services," *Journal of Retailing*, 76, 2, 259–74.
63. Kananukul, Chawanuan, Sojin Jung, and Kittichai Watchravesringkan (2015), "Building Customer Equity Through Trust in Social Networking Sites: A Perspective from Thai Consumers," *Journal of Research in Interactive Marketing*, 9, 2, 148–66.
64. Kim, Angella J. and Eunju Ko (2012), "Do Social Media Marketing Activities Enhance Customer Equity? An Empirical Study of Luxury Fashion Brand," *Journal of Business Research*, 65, 10, 1480–6.
65. King, Robert, Pradeep Racheria, and Victoria Bush (2014), "What We Know and Don't Know About Online Word-of-Mouth: A Review and Synthesis of the Literature," *Journal of Interactive Marketing*, 28, 3, 167–83.
66. Kumar, Anand, Lerzan Aksoy, Bas Donkers, Rajkumar Venkatesan, Thorsten Wiesel, and Sebastian Tillmanns (2010), "Undervalued or Overvalued Customers: Capturing Total Customer Engagement Value," *Journal of Service Research*, 13, August, 297–310.
67. LaBarbera, Priscilla A. and David Mazursky (1983), "A Longitudinal Assessment of Consumer Satisfaction/Dissatisfaction: The Dynamic Aspect of the Cognitive Process," *Journal of Marketing Research*, 20, 4, 393–404.
68. Labrecque, Lauren I. (2014), "Fostering Consumer–Brand Relationships in Social Media Environments: The Role of Parasocial Interaction," *Journal of Interactive Marketing*, 28, May, 134–48.
69. LaPointe, Pat (2012), "Measuring Facebook's Impact on Marketing: The Proverbial Hits the Fan," *Journal of Advertising Research*, 52, 3, 286–7.
70. Lariviere, Bart, Herm Joesten, Edward C. Malthouse, Marcel van Birdelen, Pelin Aksoy, Werner H. Kunz, and Ming-Hui Huang (2013), "Value Fusion: The Blending of Consumer and Firm Value in the Distinct Context of Mobile Technologies and Social Media," *Journal of Service Management*, 24, 3, 268–93.
71. Leckenby, John D. and Hairong Li (2000), "From the Editors: Why We Need the Journal of Interactive Advertising," *Journal of Interactive Advertising*, 1, 1, 1–3.
72. Lee, Eun-Ju and Jeffrey W. Overby (2004), "Creating Value for Online Shoppers: Implications for Satisfaction and Loyalty," *Journal of Customer Satisfaction, Dissatisfaction and Complaining Behavior*, 17, 54–67.
73. Liu, Yuping and L.J. Shrum (2002), "What Is Interactivity and Is It Always Such a Good Thing? Implications of Definition, Person, and Situation for the Influence of Interactivity on Advertising Effectiveness," *Journal of Advertising*, 31, 4, 53–64.
74. Luna, David, Laura A. Peracchio, and Maria D. de Juan (2002), "Cross-cultural and Cognitive Aspects of Web Site Navigation," *Journal of the Academy of Marketing Science*, 30, 4, 397–410.
75. Luo, Xueming and Christian Homburg (2007), "Neglected Outcomes of Customer Satisfaction," *Journal of Marketing*, 71, 2, 133–49.
76. Malthouse, Edward C., Michael Haenlein, Bernd Skiera, Egbert Wege, and Michael Zhang (2013), "Customer Relationships in the Social Media Era: Introducing the Social CRM House," *Journal of Interactive Marketing*, 27, November, 270–80.
77. Muthen, Linda K. and Bengt O. Muthen (2010), *Mplus User's Guide*. 6th ed.

29. Marketing on Satisfaction, Retention, and Prices on the Life Insurance Industry," *Journal of Marketing Research*, 24, November, 404–11.
30. Csikszentmihalyi, Mihaly (1997), *Finding Flow: The Psychology of Engagement with Everyday Life*. New York: BasicBooks.
31. Eagly, Alice H. and Shelly Chaiken (1993), "Process Theories of Attitude
32. Formation and Change: The Elaboration Likelihood and Heuristic– Systematic Models," in *The Psychology of Attitudes*. Alice H. Eagly, Shelly Chaiken, editors. Orlando: Harcourt Brace. 303–50.
33. Fisk, Raymond P., Stephen W. Brown, and Mary J. Bitner (1993), "Tracking
34. the Evolution of the Services Marketing Literature," *Journal of Retailing*, 69, Spring, 61–103.
35. Fornell, Claes and David F. Larcker (1981), "Evaluating Structural Equation
36. Models with Unobservable Variables and Measurement Error," *Journal of Marketing Research*, 18, 1, 39–50.
37. Fournier, Susan and Jill Avery (2010), "The Uninvited Brand," *Business Horizons*, 54, May/June, 193–207.
38. Frank, Robert H. (1997), *Microeconomics and Behavior*. New York: McGraw- Hill.
39. Gensler, Sonja, Franziska Völckner, Yuping Liu-Thompkins, and Caroline Wiertz (2013), "Managing Brands in the Social Media Environment," *Journal of Interactive Marketing*, 27, November, 242–56.
40. Graeber, Catherine and Eric M. Dolan (2007), "Meet Your Next Financial Consumer," Forrester Research, (available at <http://www.forrester.com/rb/>
41. [Research/meet_next_financial_consumer/q/id/41529/t/2](http://www.forrester.com/q/id/41529/t/2), accessed June 15, 2015).
42. Grewal, Dhruv, David Hardesty, and Gopalkrishnan Iyer (2004), "The Effects
43. of Buyer Identification and Purchase Timing on Consumers' Perceptions of Trust, Price Fairness, and Repurchase Intentions," *Journal of Interactive Marketing*, 18, 4, 87–100.
44. Gupta, Sunil, Donald R. Lehmann, and Jennifer A. Stuart (2004), "Valuing Customers," *Journal of Marketing Research*, 41, 1, 7–18.
45. Gustafsson, Anders, Michael D. Johnson, and Inger Roos (2005), "The Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention," *Journal of Marketing*, 69, 4, 210–8.
46. Hair, Joseph F., William C. Black, Barry J. Babin, and Rolph E. Anderson (2010), *Multivariate Data Analysis*. 7th ed. 2010. Upper Saddle River, NJ: Prentice Hall.
47. Hanna, Richard, Andrew J. Rohm, and Victoria L. Crittenden (2011), "We're
48. All Connected: The Power of the Social Media Ecosystem," *Business Horizons*, 54, 265–73.
49. Havas Media (2015), "Havas Media Social Emotion Study," available at <http://labs.havasmedia.co.uk/2015/01/crowdemotion-havas-media-social-emotion-study/> (accessed June 30, 2015).
50. Hennig-Thurau, Thorsten, Edward C. Malthouse, Christian Frieger, Sonja Gensler, Lara Lobschat, Arvind Rangaswamy, and Bernd Skiera (2010), "The Impact of New Media on Customer Relationships," *Journal of Service Research*, 13, August, 311–30.
51. Hoffman, Donna L. and Thomas P. Novak (1996), "Marketing in Hypermedia
52. Computer-mediated Environments: Conceptual Foundations," *Journal of Marketing*, 60, 3, 50–68.
53. ——— and ——— (2009), "Flow Online: Lessons Learned and Future Prospects," *Journal of Interactive Marketing*, 23, 1, 23–34.
54. Homburg, Christian, Wayne D. Hoyer, and Nicole Koschate (2005), "Customers' Reactions to Price Increases: Do Customer Satisfaction and Perceived Motive Fairness Matter?" *Journal of the Academy of Marketing Science*, 33, 1, 36–49.
55. Huang, Ming H. (2006), "Flow, Enduring, and Situational Involvement in the Web Environment: A Tripartite Second Order Examination," *Psychology & Marketing*, 23, 5, 383–411.
56. Hung, Shin-Yuan, Charlie C. Chen, and Ning-Hung Huang (2014), "An Integrative

2. Alba, Joseph, John Lynch, Barton A. Weitz, Chris Janiszewski, Richard Lutz, Alan Sawyer, and Stacey Wood (1997), "Interactive Home Shopping: Consumer, Retailer, and Manufacturer Incentives to Participate in Electronic Marketplaces," *Journal of Marketing*, 61, July, 38–53.
3. Anderson, Eugene W. and Claes Fornell (1994), "A Customer Satisfaction Research Prospectus," in *Service Quality: New Directions in Theory and Practice*. Roland Rust, Richard Oliver, editors. Thousand Oaks, CA: SAGE Publications, Inc. 241–68.
5. ——— (1998), "Customer Satisfaction and Word of Mouth," *Journal of Service Research*, 1, August, 5–17.
6. Anderson, James C. and David W. Gerbing (1988), "Structural Equation Modeling in Practice: A Review and Recommended Two-step Approach," *Psychological Bulletin*, 103, May, 411–23.
9. Bagozzi, Richard P. (1995), "Reflections on Relationship Marketing in Consumer Markets," *Journal of the Academy of Marketing Science*, 23, Fall, 272–7.
10. Berry, Leonard L. and Anantharathan Parasuraman (1991), *Marketing Services: Competing Through Quality*. New York, NY: The Free Press.
11. Bettencourt, Lance A. (1997), "Customer Voluntary Performance: Customers as Partners in Service Delivery," *Journal of Retailing*, 73, Fall, 383–406.
13. Blattberg, Robert C., Edward C. Malthouse, and Scott A. Neslin (2009), "Customer Lifetime Value: Empirical Generalizations and Some Conceptual Questions," *Journal of Interactive Marketing*, 23, 2, 157–68.
14. Blodgett, Jeffrey G. and Ronald D. Anderson (2000), "A Bayesian Network Model of the Consumer Complaint Process," *Journal of Service Research*, 2, 321–38.
15. Bolton, Ruth N. and Shruti Saxena-Iyer (2009), "Interactive Services: A Framework, Synthesis, and Research Directions," *Journal of Interactive Marketing*, 23, 1, 91–104.
16. Bridges, Eileen and Renee Florsheim (2008), "Hedonic and Utilitarian Shopping Goals: The Online Experience," *Journal of Business Research*, 61, 4, 309–14.
18. Brodie, Roderick, Linda D. Hollebeek, Biljana Juric, and Ana Ilic (2011), "Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research," *Journal of Service Research*, 14, 3, 252–71.
19. Brown, Tom J., Thomas E. Barry, Peter A. Dacin, and Richard F. Gunst (2005), "Spreading the Word: Investigating Antecedents of Consumers' Positive Word-of-Mouth Intentions and Behaviors in a Retailing Context," *Journal of the Academy of Marketing Science*, 33, Spring, 123–38.
20. Campbell, Margaret C. (1999), "Perceptions of Price Unfairness: Antecedents and Consequences," *Journal of Marketing Research*, 36, May, 187–99.
21. Chang, Hsin Hsin and I. Chen Wang (2008), "An Investigation of User Communication Behavior in Computer Mediated Environments," *Computers in Human Behavior*, 24, 5, 2336–56.
22. Chen, Hsiang, Rolf T. Wigand, and Michael S. Nilan (1999), "Optimal Experience of Web Activities," *Computers in Human Behavior*, 15, 585–608.
24. Chen, Yubo, Scott Fay, and Qi Wang (2011a), "The Role of Marketing in Social Media: How Online Consumer Reviews Evolve," *Journal of Interactive Marketing*, 25, 2, 85–94.
25. ———, Qi Wang, and Jinhong Xie (2011b), "Online Social Interactions: A Natural Experiment on Word of Mouth Versus Observational Learning," *Journal of Marketing Research*, 48, 2, 238–54.
27. Childers, Terry L., Christopher L. Carr, Joann Peck, and Stephen Carson (2001), "Hedonic and Utilitarian Motivations for Online Retail Shopping Behavior," *Journal of Retailing*, 77, 4, 511–35.
28. Colliander, Jonas and Micael Dahlén (2011), "Following the Fashionable Friend: the Power of Social Media—Weighing Publicity Effectiveness of Blogs Versus Online Magazines," *Journal of Advertising Research*, 51, 1, 313–20.
- Crosby, Lawrence A. and Nancy Stephens (1987), "Effects of Relationship

son, Johnson, and Roos 2005). On the other hand, dissatisfied customers may voice suggestions and ideas as part of making a complaint (Bettencourt 1997). As Bettencourt (1997) notes, these two opposite effects may offset one another. Future research investigating likely mediators of these effects will be needed to evaluate this explanation and throw light on the psychological mechanisms underlying our non-significant finding.

We did not find support for H4, which proposes a significant impact of interaction immersion on CLV. Prior research has shown evidence for the influence of online flow on CLV in the context of online shopping and e-commerce websites, where purchase intentions and behavior would be appropriate outcomes of the flow experience (Bridges and Florsheim 2008; Luna, Peracchio, and de Juan 2002; Richard and Chandra 2005; Van Noort, Voorveld, and van Reijmersdal 2012). The primary purpose of social media, however, is the communication and dissemination of information rather than making purchases, which may explain why immersion experienced by consumers on social media may not lead to greater purchase intentions.

Our study findings showing greater trend effects than intercept effects of interaction satisfaction and immersion on value creation imply that customer behavior is more strongly influenced by consumers' expectations for the future than by their current experiences with the brand. Specifically, in experiencing increasing interaction satisfaction and immersion over time, consumers may be expecting even more rewarding experiences with the brand in the future, thus strengthening their intentions to engage in behaviors generating CLV, CIV and CKV, such as repurchasing the brand, engaging in favorable word of mouth, and volunteering suggestions to the brand.

We highlight that this study represents an initial exploratory step toward a deeper understanding of brand–consumer interactions taking place within social media. Our findings suggest several directions for future research. First, it is important to note that our findings pertain to consumers' interactions with brands taking place on social media; however, brand–consumer interactions typically take place across myriad online and offline media, in addition to social media. Since this study focuses on brand–consumer interactions taking place solely on social media, one avenue for future research would be to consider the combined effect of interactions taking place on multiple channels (e.g., website, store, social media, mobile devices) consisting of immersive content as well as content with a satisfaction orientation, and to employ behavioral measures associated with channel-specific activity and value creation. Second, further research could examine the relative strength of the intercept and trend effects of interaction satisfaction and immersion under different conditions, and identify moderators that may amplify and mitigate this difference in relative strength. Third, since this research includes the use of a student sample and self-selected brands, future research could examine a wider, more representative population base and incorporate a wider variety of brands. Finally, in order to more fully establish causality, future research could test the effects of satisfaction and immersion on customer value in an experimental setting,

References

1. Adjei, Mavis T., Charles H. Noble, and Stephanie M. Noble (2012), "Enhancing Relationships with Customers Through Online Brand Communities," *MIT Sloan Management Review*, 53, Summer, 22–4.

more resource intensive (resulting, in part, from a more extensive social media customer support mechanism as well as a more extensive approach to content creation, perhaps even involving augmented and virtual reality platforms), a satisfaction-plus-immersion strategy can be vital to brands whose business models depend on all three types of customer value.

Since both interaction satisfaction and immersion have beneficial effects, social media managers may evaluate the cost-effectiveness of the incremental value added by each interaction outcome. Given limited resources (e.g., for small businesses), a satisfaction-only strategy may prove more cost-effective as it will foster both CLV and CIV. For such firms, the resources and financial cost involved in creating immersive social media content may not be justified by the incremental value provided by interaction immersion. On the other hand, brands seeking to generate both CLV and CKV, or all three types of customer value, can cultivate both satisfaction and immersion, as CLV is influenced only by satisfaction and CKV only by immersion. Note that brands may use not just social media but a combination of different channels (e.g., brick-and-mortar venues, websites, social media, mobile marketing) to communicate and interact with consumers, impacting customers' satisfaction and/or immersion and generating CLV, CIV and/or CKV.

Finally, our findings reveal that, for the three outcome variables (CLV, CIV and CKV), the effects of the linear trends in satisfaction and immersion are greater than the intercept effects, suggesting that consumers may be more responsive to the direction and rate of change as opposed to the absolute levels of interaction satisfaction and interaction immersion. This finding provides a cautionary message for brands currently enjoying high levels of satisfaction and immersion. These brands will need to focus not only on maintaining the status quo, but also on developing social media strategies that ensure their ongoing improvement over time.

Theoretical Implications and Future Research Directions

Our study provides insights that can inform future hypothesis development and stimulate further research. The primary contribution of this study is that we focus on discrete interactions taking place between brands and consumers within social media platforms, and we highlight the effects of these interactions on customer value. We empirically test the unique effects of interaction satisfaction and immersion on customer value, and by identifying their different outcomes, we begin to further understand antecedents to establishing customer value through social media platforms. By doing so, we extend prior research examining the role of online social media interactions on customer loyalty and retention (e.g., Blattberg, Malthouse, and Neslin 2009; Jaiswal, Niraj, and Venugopal 2010), recommendation and influence (Hennig-Thurau et al. 2010), and relationship development (Brodie et al. 2011; Fournier and Avery 2010; Gensler et al. 2013; Kumar et al. 2010; Labrecque 2014; van Doorn et al. 2010).

Two of our hypotheses (H3a,b and H4) did not receive support. We did not find a significant effect of interaction satisfaction on CKV (H3a and H3b). This finding may be explained by both high satisfaction and high dissatisfaction leading to customers volunteering suggestions and feedback to the brand, as proposed by Bettencourt (1997). On the one hand, social exchange principles imply that satisfied consumers may recompense favorable treatment by helping the firm (Bettencourt 1997; see also Bagozzi 1995; Gustaf-

serve to increase customers' propensity to influence others regarding specific brands as well as volunteer ideas for brand innovations and improvements. Accordingly, brands that rely heavily on customer influence as well as input for improving new and existing products or services may benefit from creating immersive social media experiences for consumers. For instance, social media strategies that create CIV may prove important for firms with business models that depend on favorable word-of-mouth communications and other forms of earned media generated among consumers. Through creating immersive experiences on social media, managers can cultivate brand ambassadors—customers willing to promote and defend the brand during good times and bad. Businesses that strive to harness consumer word of mouth include smaller firms whose limited financial resources may preclude them from relying on traditional paid media to gain brand awareness. Marketers providing experiential and credence services may also seek to leverage positive word of mouth, as consumers often cannot evaluate service quality prior to experiencing the service (as well as afterwards, in the case of credence services) and therefore may actively seek recommendations from other consumers prior to making a purchase decision. Thus, brands whose business model relies heavily on customer influence and favorable word of mouth can benefit from an interaction immersion strategy.

Our findings also suggest that organizations may benefit from social media strategies generating higher levels of customer immersion in order to cultivate CKV through brand co-creators and collaborators—consumers who will be likely to create value for the brand by suggesting new product ideas, thus helping the brand better understand consumer needs and address customer service issues. Firms can leverage immersive content even further to help study consumer preferences, solicit customers' input into new product development, and crowdsource new ideas across social media platforms such as Facebook and Twitter. Examples include firms that offer a wide variety of product and service designs, options and features, including consumer electronics and home appliance manufacturers, hospitality and travel businesses, insurance companies, museums and theaters, even educational institutions. An immersion-only strategy can also be beneficial for brands that view social media primarily as a vehicle for generating both CIV and CKV (but not CLV). This implies that brands relying on generating an emotional customer experience will want to more narrowly define the role of social media as an interaction platform aimed at promoting and encouraging primarily CIV and CKV rather than CLV. For instance, a luxury goods brand such as Louis Vuitton may deploy its Facebook page directly as a platform for conveying entertaining and exciting immersive content and soliciting customer feedback, in effect generating CIV and CKV in order to support its physical store and e-commerce retail sales. Additionally, a brand such as Nike might employ social media primarily to foster immersive customer experiences, and thus greater CKV and CIV, related to its fitness products and workout tracking platforms.

Satisfaction-plus-immersion Strategy

Our findings suggest that interaction satisfaction and interaction immersion, together, contribute to generating certain combinations of CLV, CIV and CKV. By creating both satisfying and immersive experiences on social media, managers can cultivate brand loyalists, brand ambassadors, and brand co-creators and collaborators. Although such social media strategies may be

Our study suggests that business models that derive value predominantly from CLV, and do not benefit significantly from CKV or CIV, are likely to be successful by developing and implementing satisfaction-only social media interaction strategies. Scholars propose that CLV is central to the success of firms of all types (Gupta, Lehmann, and Stuart 2004) and argue that the determinants of CLV provide important diagnostics about the future health of the business, enabling managers to assess the profitability of individual customers and forecast future cash flows (Kumar et al. 2010). Given that maintaining and growing CLV are critical for the success of any company (Gupta, Lehmann, and Stuart 2004; Kumar et al. 2010), our findings point to the importance of interaction satisfaction within brands' social media strategies. These findings suggest that social media managers may consider deploying resources necessary to ensure social media interactions address real-time customer service issues (e.g., shipping and delivery information and updates, timely complaint resolution, real-time flight information) and create immediate calls-to-action by announcing promotions and incentives or providing new product information. This observation is consistent with Sénécal, Gharbi, and Nantel (2002) who conclude that providing immersive online environments would be ineffective, unless these environments also offer tools and features helpful to consumers in aiding or leading to direct purchase.

Table 4
Standardized total effects of customers' satisfaction and immersion with social media brand interactions on customer value.

	Customer lifetime value (CLV)	Customer influencer value (CIV)	Customer knowledge value (CKV)
Satisfaction with social media brand interactions			
Intercept	46.	32.	04.
Linear trend	89.	53.	07.
Immersion in social media brand interactions			
Intercept	07.	30.	43.
Linear trend	15.	86.	68.

Note. The values in bold are significant at the 95% level.

Table 5
Customer value types and social media interaction strategies.

Customer value	Interaction strategy
CLV	Satisfaction-only
CIV	Satisfaction-only, immersion-only, or satisfaction-plus-immersion
CKV	Immersion-only
CLV + CKV	Satisfaction-plus-immersion
CLV + CIV	Satisfaction-only or satisfaction-plus-immersion
CIV + CKV	Immersion-only
CLV + CKV + CIV	Satisfaction-plus-immersion

Immersion-only Strategy

We find that interaction immersion influences both CIV and CKV (note that it exclusively influences CKV). An immersion-only strategy, therefore, can

Satisfaction,intercept→Customerlifeti (mevalue(CLV	(07.)17.	2.50 ²	H1:Supported
Satisfaction,linear→Customerlifetime (value(CLV	(70.)1.91	2.73 ¹	H1:Supported
Satisfaction,quadratic→Customerlifeti (mevalue(CLV	(9.94)31.92	3.21 ¹	H1:Supported
Satisfaction,intercept→Customerinflu (encervalue(CIV	(13.)30.	2.29 ²	H2:Supported
Satisfaction,linear→Customerinflunc (ervalue(CIV	(1.32)2.83	2.14 ²	H2:Supported
Satisfaction,quadratic→Customerinflu (encervalue(CIV	(18.99)39.62	2.09 ²	H2:Supported
Satisfaction,intercept→Customerkno (wledgevalue(CKV	(22.)06.	29.	H3a,H3b:Notsupported
Satisfaction,linear→Customerknowle (dgevalue(CKV	(2.21)61.	27.	H3a,H3b:Notsupported
Satisfaction,quadratic→Customerkno (wledgevalue(CKV	(31.75)14.88	47.	H3a,H3b:Notsupported
Immersion,intercept→Customerlifeti (mevalue(CLV	(05.)02.	44.	H4:Notsupported
Immersion,linear→Customerlifetime (value(CLV	(43.)15.	36.	H4:Notsupported
Immersion,quadratic→Customerlifeti (mevalue(CLV	(3.67)6.75	1.84	H4:Notsupported
Immersion,intercept→Customerinflue (ncervalue(CIV	(09.)23.	2.46 ²	H5:Supported
Immersion,linear→Customerinflunc (ervalue(CIV	(82.)2.26	2.77 ¹	H5:Supported
Immersion,quadratic→Customerinflu (encervalue(CIV	(7.01)20.08	2.84 ¹	H5:Supported
Immersion,intercept→Customerknow (ledgevalue(CKV	(15.)53.	3.45 ¹	H6:Supported
Immersion,linear→Customerknowled (gevalue(CKV	(1.35)2.95	2.18 ²	H6:Supported
Immersion,quadratic→Customerknow (ledgevalue(CKV	(11.63)20.09	1.73	H6:Supported

¹p<.01.

²p<.05.

Conclusion

Managerial Implications

Our study examining brand–consumer interactions taking place on social media and their impact on customer value offers important implications for marketing practitioners. We find that the decision to employ a satisfaction-only, immersion-only or satisfaction-plus-immersion social media strategy depends on the extent to which the brand derives value from, and seeks to generate, CLV, CIV and CKV, as shown in Table 5. Our findings suggest that whereas CLV is influenced only by interaction satisfaction and CKV is dependent solely on interaction immersion, both satisfaction and immersion influence CIV.

Satisfaction-only Strategy

Prior: M = 3.93, SD = 2.07, AVE = .72, CR = .91	
I will let the brand know of ways that they can better serve my needs.	1.00
I make constructive suggestions to the brand on how to improve.	1.07 (.04)
If I have a useful idea on how to improve the product and/or service, I give it to a representative of the brand.	.87 (.07)
When I experience a problem with the brand, I let them know so they can improve.	.80 (.08)
Outcome: M = 5.61, SD = 1.98, AVE = .74, CR = .92	
I will let the brand know of ways that they can better serve my needs.	1.00
I make constructive suggestions to the brand on how to improve.If I have a useful idea on how to improve the product and/or service, I give it to a representative of the brand.	1.05 (.05)
When I experience a problem with the brand, I let them know so they can improve.	1.09 (.09)
	.95 (.09)

Because the two models were estimated for each participant, we were able to code the time variable individually. Specifically, the first day on which a study participant recorded an interaction with their selected brand was coded “1” for that respondent. If another interaction was recorded two days later, the value of the time variable for that interaction was “3”. Separate parameter estimates (β_1 to β_6) were obtained for each study participant and these parameter estimates were entered as exogenous variables into the causal model (see Fig. 1).

The causal model had an acceptable fit ($\chi^2(213) = 275.78$, $p < .01$; CFI = .957 N .95 and RMSEA = .049 b .08; 95%

confidence interval for RMSEA: 0.30–0.64 b .08) (Hair et al. 2010). As shown in Table 3, we found that consumers experiencing higher levels of satisfaction in their social media brand interactions were more likely to generate CLV ($t \geq 2.50$, all $p < .05$) and CIV ($t \geq 2.09$, all $p < .05$) for the brand, thus supporting H1 and H2. Both the initial level of satisfaction (the intercept term) as well as its trend over time had significant positive effects on CLV and CIV. However, H3a and H3b were not supported—we found no effect of satisfaction on CKV ($t \leq .47$, all $p > .05$).

H4 did not receive support—immersion had no significant impact on CLV ($t \leq 1.84$, all $p > .05$). Consistent with H5 and H6, consumers reporting higher levels of immersion in their social media brand interactions were more likely to generate CIV ($t \geq 2.46$, all $p < .05$) and CKV (intercept and linear effects: $t \geq 2.18$, all $p < .05$; non-linear effect: $t = 1.73$, $p > .05$). Comparing the standardized effect sizes revealed that, for all significant relationships, the linear effects were approximately one and a half to two times larger than the corresponding intercept effect, suggesting the importance of the direction and rate of change over time in both satisfaction and immersion (see Table 4). Results from a second sample from the same population, replicating the main study but without asking respondents to rate their interaction satisfaction and immersion, showed that our findings cannot be explained by a mere measurement effect.

Table 3
Hypothesis tests.

Causaleffect	Parameterestimate	tvalue	Hypothesis
	(Standarderror)		

Satisfaction $\frac{1}{4} \beta_1 \text{ } \beta_2 * \text{Time } \beta_3 * \text{Time}^2$

$\delta_1 \text{ } \beta$

Immersion $\frac{1}{4} \beta_4 \text{ } \beta_5 * \text{Time } \beta_6 * \text{Time}^2$;

$\delta_2 \text{ } \beta$

where β_1 and β_4 are the intercepts for satisfaction and immersion, respectively, representing their levels at the beginning of the diary period; β_2 and β_5 represent the linear trends in satisfaction and immersion over time, throughout the diary period; and β_3 and β_6 capture the non-linear trends of these two interaction variables throughout the diary period.

Table 2

Measurement model.

Measurement scales	Factor loadings
Satisfaction (interaction) (Crosby and Stephens 1987; Jones, Mothersbaugh, and Beatty 2000) M = 7.80, SD = 1.56, AVE = .89, CR = .96 How positive or negative was your interaction with the brand?	
Negative (– 4) ... Positive (4)	1.00
Dissatisfying (– 4) ... Satisfying (4)	1.07 (.02)
Unpleasant (– 4) ... Pleasant (4)	1.04 (.02)
Immersion (interaction) (Schaufeli et al. 2002) M = 6.03, SD = 1.97, AVE = .60, CR = .85 Related to your brand interaction, please rate your level of agreement with the following statements:	
Time seemed to fly during this interaction with my brand.	1.00
During this interaction with my brand, I forgot everything else around me.	.95 (.07)
I was enthusiastic during this interaction with my brand.	.88 (.07)
Related to my brand, I became immersed in this specific interaction.	.96 (.07)
Customer lifetime value (CLV) (Item #1: Grewal, Hardesty, and Iyer 2004; Item #2: Campbell 1999) How likely are you to buy from the brand in the future?	
Prior: M = 8.34, SD = 1.13, AVE = .62, CR = .76	
Very unlikely (1) ... Very likely (9)	1.00
A lot less likely (1) ... A lot more likely (9)	1.53 (.56)
Outcome: M = 8.28, SD = 0.90, AVE = .44, CR = .61	
Very unlikely (1) ... Very likely (9)	1.00
A lot less likely (1) ... A lot more likely (9)	1.64 (.49)
Customer influencer value (CIV) (Brown et al. 2005) Please circle the number (1–9) that best corresponds with your feelings related to your brand.	
Prior: M = 7.98, SD = .96, AVE = .60, CR = .81	
I make sure that others know that I do business with the brand.	1.00
I speak positively of the brand to others.	.80 (.11)
I recommend the brand to close personal friends.	.77 (.12)
Outcome: M = 7.62, SD = 1.21, AVE = .69, CR = .87	
I make sure that others know that I do business with the brand.	1.00
I speak positively of the brand to others.	0.74 (.08)
I recommend the brand to close personal friends.	0.81 (.08)
Customer knowledge value (CKV) (Bettencourt 1997) Please circle the number (1–9) that best corresponds with your feelings related to your brand.	

Morethan4hours	(25%)13	(19%)14	(22%)27
Total	(100%)53	(100%)72	(100%)125
Socialmediause Lessthan3hours	(60%)32	(63%)45	(62%)77
4hours–3	(36%)19	(21%)15	(27%)34
Morethan4hours	(4%)2	(17%)12	(11%)14
Total	(100%)53	(100%)72	(100%)125

Note. Total percentages may differ from 100% due to rounding.

The psychometric properties of the scales were evaluated using a two-level confirmatory factor analysis (CFA) conducted in Mplus 7.11. Because respondents completed the satisfaction and immersion scales for each interaction, these two scales formed the “within” component of the CFA model, which controlled for the lack of independence among error terms. The customer value scales formed the “between” component of the CFA model. The χ^2 test of the measurement model was significant ($\chi^2(130) = 344.06$, $p < .01$), but the Comparative Fit Index (CFI) and the Root Mean Square Error of Approximation (RMSEA) showed an acceptable fit (CFI = .962 N .95 and RMSEA = .035 b .08) (Hair et al. 2010). With one exception, all measures demonstrated convergent validity (average variance extracted (AVE):

.60–.89 N .5; composite reliability: .76–.96 N .7) (Hair et al. 2010). The purchase intentions measure completed after the series of brand interactions was the exception (average variance extracted: .44; composite reliability: .61). Despite its lower convergent validity, we included this measure in the analysis so that purchase intentions could be evaluated on the same scale before and after the brand interactions.

All squared interfactor correlations were below the mean item communalities of the respective factors, suggesting that the measures have discriminant validity (Fornell and Larcker 1981). Of specific note is the discriminant validity between satisfaction and immersion, which was clearly demonstrated. The squared interfactor correlation between these two factors was .45, below their mean item communalities of .89 and .60, respectively. Additionally, we used χ^2 difference tests to confirm the discriminant validity of the measures (Anderson and Gerbing 1988). Because of the non-independence of observations in the “within” model, we estimated the measurement model using robust maximum likelihood estimation (MLR) yielding maximum likelihood parameter estimates and their standard errors, as well as a chi-square test statistic, that are robust to non-independence of observations and non-linearity (Muthen and Muthen 2010). We then confirmed the discriminant validity of the measures by employing the strictly positive robust χ^2 difference test, because the chi-square value produced by the MLR estimation method cannot be used for chi-square difference testing in the regular way (Satorra and Bentler 2010).

Analyses and Results

Two regression models, with time as the independent variable, were estimated separately for each study participant, one for satisfaction as the dependent variable and one for immersion:

experience the flow state are more likely to retain what they perceive than consumers who do not.” Consistent with information processing models such as the Elaboration Likelihood Model (Petty and Cacioppo 1986) and the Heuristic–Systematic Model (Eagly and Chaiken 1993), Van Noort, Voorveld, and van Reijmersdal (2012) argue that the high levels of attention and concentration characteristic of flow increase consumers’ ability to engage in systematic information processing. Empirical evidence supports this effect of flow, suggesting that online users in a state of flow are likely to generate more thoughts regarding (Van Noort, Voorveld, and van Reijmersdal 2012, Study 1) and learn more about (Skadberg and Kimmel 2004) website content. Given the above research suggesting that online flow increases both consumers’ motivation and ability to provide suggestions to the brand, we propose:

H6. Consumers experiencing high levels of immersion in social media brand interactions are more likely to generate CKV for the brand.

Empirical Research Participants and Procedure

One hundred and twenty-five undergraduate students, 58% female, completed a social media diary. The majority of the study participants reported using the Internet 3 to 4 hours daily (58%) and being on social media less than 3 hours daily (62%). There were no differences between men and women regarding Internet use ($\chi^2(2) = .88, p N .05$), but female respondents were significantly more likely to be on social media more than 4 hours daily ($\chi^2(2) = 7.08, p b .05$) (see Table 1). A student sample is appropriate for our research because consumers born and raised in the 1990s often prefer to interact with firms online via social media than in physical settings, and online social media has a growing influence on their shopping and purchasing behaviors (Graeber and Dolan 2007).

The diary was developed to guide study participants in reporting their daily interactions with a focal brand of their choice over a two-month period. The brands selected by respondents included retailers (e.g., J. Crew, Brandi Melville), online services (e.g., Living Social, Trip Advisor), media (e.g., Verizon, MTV), luxury brands (e.g., LVM, Coach), fast-moving consumer goods (e.g., Mountain Dew, Doritos), sports and lifestyle brands (e.g., Nike, Red Bull), and food outlets (e.g., Pinkberry, Chipotle). Overall, respondents recorded 1,317 discrete brand–consumer interactions, rating their satisfaction and immersion with each interaction. In addition to documenting their brand interactions throughout the two-month diary period, study participants completed a survey measuring customer value (CLV, CIV and CKV). The survey was completed twice: before and after the diary period. All constructs were evaluated on scales used in earlier studies (see Table 2).

Table1
Internetandsocialmediause.

	Male	Female	Total
Internetuse Lessthan3hours	(23%)12	(19%)14	(21%)26
4hours–3	(53%)28	(61%)44	(58%)72

in positive word of mouth about the retailer's website. Although intentions to disseminate word of mouth regarding the retailer's brand were not evaluated, we anticipate that online flow will likely have a similar effect on word of mouth at the brand level.

Further evidence supporting our expectation emerges from research investigating the impact of online flow within computer-mediated environments. Online flow states have been shown to increase computer usage (Igbaria, Parasuraman, and Baroudi 1996) and the voluntary use of computer software (Webster, Trevino, and Ryan 1993) as well as prolong Internet and website use (Rettie 2001). A motivational mechanism centered on the level of enjoyment accompanying flow states has been proposed to explain these effects (Chang and Wang 2008; Igbaria, Parasuraman, and Baroudi 1996; Webster, Trevino, and Ryan 1993), where enjoyment is defined as receiving intrinsic psychological rewards (Igbaria, Parasuraman, and Baroudi 1996). Webster, Trevino, and Ryan (1993) propose that enjoyment leads to consumers performing an activity for its own sake, such that the activity becomes an end in and of itself, making consumers more likely to engage in the same activity in the future.

Particularly relevant to social media usage are empirical findings suggesting that online flow increases consumer use of online communication tools (blogs, instant messaging and bulletin board platforms) (Chang and Wang 2008) and mobile devices (Nysveen, Pedersen, and Thorbjørnsen 2005). We therefore anticipate that experiencing immersion on social media will likely motivate consumers to increase their use of social media. One use of social media is to communicate, share and disseminate information, and therefore we expect that immersion will likely increase communications with other consumers, including conversations pertaining to the brand, thus generating CIV for the brand. Accordingly, we propose:

H5. Consumers experiencing high levels of immersion in social media brand interactions are more likely to generate CIV for the brand.

Social media users experiencing higher immersion in brand interactions will also be more likely to create CKV for the brand. This expectation is based on earlier research suggesting that online flow increases both consumers' motivation to volunteer suggestions to the brand as well as their ability to provide helpful suggestions. Hoffman and Novak (1996) argue that online flow is likely to increase customer participatory responses defined as "active and responsible involvement in the governance and development of the organization" (Bettencourt 1997, p. 386) comprising "customer suggestions that do not derive from specific instances of consumption dissatisfaction" (Bettencourt 1997, p. 387). The high levels of flow-induced enjoyment discussed earlier as a possible motivational mechanism underlying the impact of immersion on CIV may also explain its effect on CKV. Flow-induced enjoyment felt on social media will likely increase consumers' use of that media to communicate with the brand, including giving suggestions and feedback to the brand.

In addition to increasing consumers' motivation to offer suggestions to the brand, online flow also has a beneficial effect on their ability to do so by helping them learn more about the brand. Because flow is a state in which consumers forget about the world around them and are solely focused on the activity itself, Hoffman and Novak (1996, p. 64) argue that "consumers who

tive experiences and outcomes (Bagozzi 1995; Bettencourt 1997; Gustafsson, Johnson, and Roos 2005). From another perspective, research on customer complaining behavior suggests that dissatisfied customers are more likely to voice complaints (e.g., Blodgett and Anderson 2000; Voorhees and Brady 2005; for a meta-analysis see Szymanski and Henard 2001) and therefore have greater opportunity to express their ideas to the firm on how to improve service (Bettencourt 1997), generating CKV for the brand. Because of these two opposing perspectives, Bettencourt (1997) proposes (but does not test empirically) that the effect of satisfaction on generating knowledge value may be either positive or negative. Prior research thus implies two opposing effects:

H3a. Consumers experiencing high levels of satisfaction in social media brand interactions are more likely to generate CKV for the brand.

H3b. Consumers experiencing high levels of satisfaction in social media brand interactions are less likely to generate CKV for the brand.

Effects of Interaction Immersion

Past research demonstrates that online flow may directly and indirectly influence CLV by impacting purchase intentions (Luna, Peracchio, and de Juan 2002; Richard and Chandra 2005; Van Noort, Voorveld, and van Reijmersdal 2012) and purchase behavior (Bridges and Florsheim 2008). In a conceptual study, Luna, Peracchio, and de Juan (2002) argue that congruity between website content and website visitors' culture positively influences flow and purchase intentions. By encouraging exploration and generating positive subjective experiences, these authors propose, a flow state would make the website "sticky," leading to visitors lingering on the site and revisiting it in the future (Luna, Peracchio, and de Juan 2002). Additionally, Richard and Chandra (2005) show empirical evidence for the influence of flow on purchase intentions, and Bridges and Florsheim (2008) find a relationship between the utilitarian components of flow and purchase behavior. The authors argue that being in a flow state makes a website easier to use and more convenient (Bridges and Florsheim 2008), and creates a more favorable attitude toward the website, leading to higher purchase intentions (Richard and Chandra 2005). Therefore, we propose:

H4. Consumers experiencing high levels of immersion in social media brand interactions are more likely to generate CLV for the brand.

We further anticipate that consumers experiencing higher immersion in social media brand interactions will be more likely to generate CIV for the brand. Van Noort, Voorveld, and van Reijmersdal (2012, Study 2) conducted an experiment examining the effect of online flow on consumers' propensity to disseminate word of mouth regarding the brand's website. Online flow was manipulated by varying the level of interactivity on a retailer's website. Participants' intentions to disseminate word of mouth related to the website were evaluated by rating their agreement with the statements "I have the intention to talk about this website with friends and colleagues" and "I have the intention to forward this website to friends and/or colleagues." The study findings suggest that online flow increases customers' intentions to engage

tions on CLV, CIV and CKV.

Hypothesis Development

Effects of Interaction Satisfaction

Satisfaction resulting from brand–consumer interactions is widely conceptualized as an antecedent to positive downstream attitudes and behaviors such as purchase intentions, purchase, and repeat patronage (e.g., Berry and Parasuraman 1991; Blattberg, Malthouse, and Neslin 2009; Oliver 1997; Pan and Zinkhan 2006). A meta-analysis of the satisfaction literature reveals a significant effect of customer satisfaction on repurchase behavior (Szymanski and Henard 2001). Specific to social media, Lariviere et al. (2013) argue that satisfaction derived from geo-location tracking in combination with social media and mobile devices indirectly influences CLV.

Concepts and theories from consumer behavior and economics help to explain these effects of satisfaction (Homburg, Hoyer, and Koschate 2005; Oliver 1980). Based on consumer behavior research on attitudes and affect, Oliver (1980) argues that satisfaction influences repurchase intentions directly, yet can also be mediated by customers' updated post-purchase attitude. Economic theory suggests that the willingness to engage in an exchange transaction depends on the customer's expectation of receiving consumer surplus from the transaction (Homburg, Hoyer, and Koschate 2005), where consumer surplus is defined as “a dollar measure of the extent to which people benefit from a transaction” (Frank 1997, p. 145). Greater rewards as reflected in higher satisfaction increase the perception of consumer surplus and the attractiveness of the relationship with the brand, thereby increasing customers' intentions to continue purchasing the brand (Bettencourt 1997; Homburg, Hoyer, and Koschate 2005). Therefore, we propose:

H1. Consumers experiencing high levels of satisfaction in social media brand interactions are more likely to generate CLV for the brand.

Anderson (1998) demonstrates that satisfaction increases favorable word of mouth, while dissatisfaction leads to unfavorable word of mouth. Anderson argues that satisfied customers are likely to engage in positive word of mouth because of altruism (desire to be helpful to others), instrumentalism (desire to be seen as well-informed or “smart”), ego defense, reduction in cognitive dissonance, and a bias toward positive cognitive processes, stimuli, and relationships. Dissatisfied customers, on the other hand, will be likely to disseminate unfavorable word of mouth because of a desire to express hostility, seek vengeance, warn others, and reduce anxiety (Anderson 1998). Empirical findings suggest that satisfaction (dissatisfaction) is an antecedent to customers' willingness to recommend (warn against) the company or brand, and disseminate favorable (unfavorable) word of mouth and influence (Berry and Parasuraman 1991; Luo and Homburg 2007; Oliver 1997; Pan and Zinkhan 2006). Accordingly, we propose:

H2. Consumers experiencing high levels of satisfaction in social media brand interactions are more likely to generate CIV for the brand.

Social exchange theory suggests that satisfied customers are likely to volunteer suggestions and ideas to the firm as a way of reciprocating for the posi-

(2) the extent to which one's attention is focused on the interaction, (3) the curiosity aroused by the interaction, and (4) the extent to which the user experiences the interaction as intrinsically interesting” (see also Webster, Trevino, and Ryan 1993).

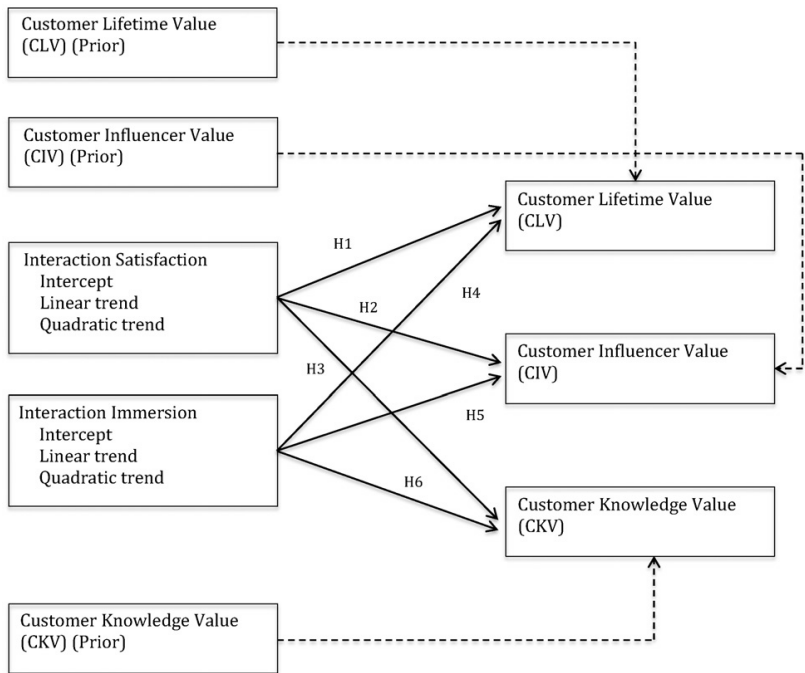
In this research, we define interaction immersion as a psychological state in which consumers are fully engrossed within the social media environment and exclusively fixated upon the brand interaction (Novak, Hoffman, and Yung 2000) while at the same time experiencing high levels of involvement, enjoyment and enthusiasm (Huang 2006). This definition of interaction immersion focuses on the loss of self-consciousness and the intrinsically enjoyable and self-reinforcing aspects of flow highlighted by Hoffman and Novak (1996). We use the term interaction immersion to distinguish our conceptualization from the broader definition of online flow proposed by Webster, Trevino, and Ryan (1993) and Van Noort, Voorveld, and van Reijmersdal (2012). Compared to interaction satisfaction, which involves making an evaluative judgment based on expectations and outcomes, consumers experiencing immersion are exclusively process focused. These consumers are fixated on the in-the-moment affective state of all-engrossing concentration, captivating experience, enthusiasm and enjoyment, independent of prior expectations and future outcomes from the interaction (Hoffman and Novak 1996; Huang 2006; Novak, Hoffman, and Yung 2000; Rose et al. 2012). Consumers experiencing an immersive state on social media may not be fully satisfied with the interaction for various reasons (e.g., difficulties placing an order, lengthy delivery times). Alternatively, consumers may be satisfied with a social media brand interaction without experiencing immersion.

Customer Value

Drawing from recent work examining the positive effects of social media and social networks on value creation (Kananukul, Jung, and Watchravesringkan 2015; Kim and Ko 2012; Malthouse et al. 2013; Schau, Muñiz, and Arnould 2009), we focus on value from the brand's perspective. From this perspective, Kumar et al. (2010) identify four components of customer value that may accrue to the brand. Customer lifetime value (CLV) is defined as the present value of future profits accruing from a customer over his or her life of business with the firm. It takes into account the total financial contribution of a customer's transactions (revenues minus costs) over his or her entire lifetime with the company, thus representing the future profitability of the customer. Customers' (re-)purchase intentions are a widely employed attitudinal measure of CLV. Customer influencer value (CIV) is defined as “the value of the influence that an individual (usually a customer) exerts on other customers or prospects” (p. 302). An attitudinal measure of CIV suggested by Kumar et al. (2010) is customers' propensity to recommend the brand to others. Customer knowledge value (CKV) captures the value of feedback provided to the firm by customers with respect to ideas for innovations and improvements. Kumar et al. (2010) suggest propensity to provide feedback as an attitudinal measure of CKV. These authors also identify customer referral value (CRV) as a source of value that accrues from customers' referrals of new customers as a result of firm-initiated incentive-based referral programs. We do not examine CRV in this research because referral incentives are not offered by all brands. In the next section, we propose hypotheses regarding the effects of satisfaction and immersion experienced by consumers in their social media brand interac-

and performance—have independent effects on satisfaction judgments, in addition to the effect of disconfirmation.

Thus, interaction satisfaction involves a comparative response contingent on the customer's expectations and outcomes (utilitarian and hedonic) from the interaction (Oliver and DeSarbo 1988; Yi 1993). In a study of millennials, Rohm, Kaltcheva, and Milne (2013) find that consumers seek both utilitarian and hedonic outcomes when engaging in social media interactions with brands. Utilitarian outcomes are the primary motivation for 63% of interactions—specifically, acquiring timely information (27%), getting product information (19%), and being offered promotions and other incentives (17%). Hedonic outcomes account for the remaining interactions—specifically, fun (19%) and brand engagement (17%).



Note. Dotted lines represent relationships included in the model to control for possible effects of the prior levels of the outcome variables.

Fig. 1. Conceptual model.

Interaction Immersion

Consumers may experience an immersive state of flow in a variety of activities (Csikszentmihalyi 1997). In their seminal article, Hoffman and Novak (1996, p. 57) define the flow experience in computer-mediated environments as “the state occurring during network navigation, which is (1) characterized by a seamless sequence of responses facilitated by machine interactivity, (2) intrinsically enjoyable, (3) accompanied by a loss of self-consciousness, and (4) self-reinforcing.” Van Noort, Voorveld, and van Reijmersdal (2012, p. 224) define online flow more broadly as “a multidimensional construct comprising four dimensions: (1) perceiving control over the interaction,

nents of flow (intrinsic interest and focused attention) have no impact on purchases. These authors recommend that online retailers focus on increasing customer satisfaction by improving the utilitarian value of retail sites. Sénécal, Gharbi, and Nantel (2002) find that providing flow-inducing and immersive content on e-commerce websites represents an ineffective strategy except when used in conjunction with additional tools and features that are helpful to consumers in meeting their consumption needs and that provide utilitarian shopping value. Note that one reason for this diminished effectiveness of immersive content may be that, unlike social media, e-commerce websites are designed with the primary objective of stimulating purchase, a potentially critical difference that highlights the need to specifically research social media.

To conclude, research on consumer behavior in computer-mediated and online environments suggests alternative strategies for brands seeking to create value through social media interactions: (1) satisfaction-only, (2) immersion-only or (3) satisfaction-plus-immersion strategies. These strategic approaches have yet to be empirically evaluated in the context of social media. In this research, we attempt to identify the degree to which these strategies create customer value for brands in their social media interactions with consumers.

Conceptual Framework

Our conceptual framework is displayed in Fig. 1. We evaluate the levels and trends over time in the satisfaction and immersion experienced by consumers in their social media interactions with a specific brand, and examine the effects of these interaction variables on different types of customer value. We also account for the impact of the levels of customer value prior to the brand–consumer social media interactions. By accounting for these effects, we are able to determine the extent to which interaction satisfaction and immersion influence the outcome levels of customer value, or whether these outcome levels are influenced by prior levels.

Interactions between firms and consumers have long been investigated in the marketing literature (Alba et al. 1997; Labrecque 2014; Leckenby and Li 2000; Liu and Shrum 2002; Pavlou and Stewart 2000; Stewart and Pavlou 2002; Varadarajan et al. 2010). Interactions represent a central element of marketing practice, particularly within services (Bolton and Saxena-Iyer 2009) and marketing communications (Stewart and Pavlou 2002). The interactivity that results from discrete communication episodes comprising brand–consumer interactions (Johnson, Bruner, and Kumar 2006) has been defined as “the degree to which two or more communication parties can act on each other, on the communication medium, and on the messages and the degree to which such influences are synchronized” (Liu and Shrum 2002, p. 54).

Interaction Satisfaction

Interaction satisfaction is defined as an evaluative judgment of a specific interaction (e.g., Anderson and Fornell 1994; Fisk, Brown, and Bitner 1993; Smith and Bolton 1998). Oliver and DeSarbo (1988) compare process theories proposing to explain how consumers make satisfaction judgments and find that expectancy disconfirmation is the strongest predictor of satisfaction. Expectancy disconfirmation involves two processes—the formation of expectations and the disconfirmation of those expectations through performance comparisons (Oliver and DeSarbo 1988). Although linked conceptually, the two components of the expectancy disconfirmation paradigm—expectations

study, we investigate satisfaction and immersion experienced by consumers on social media at the interaction level as well as the effects of interaction satisfaction and interaction immersion on customer value. Second, our findings suggest that a one-size-fits-all strategy to creating content and managing social media interactions with consumers might not afford the most effective approach to generating customer value. We find that interaction satisfaction and interaction immersion influence different aspects of customer value, and thus we identify conditions under which each strategy (interaction-only, immersion-only or interaction-plus-immersion) is likely to create value for the firm. Third, brand–consumer interactions on social media rarely constitute a one-time event. Given the ease and immediacy of social media interactions, customers typically engage brands on social media over time, in some cases several times in a single day. Customer behaviors are likely influenced by recent interaction history, comprising a series of exchanges, as opposed to the latest single exchange (LaBarbera and Mazursky 1983; Oliver 1980). Therefore, by employing a longitudinal design, we compare the influence of the absolute levels of satisfaction and immersion to the influence of their trends over time. We find that the trend effects are stronger than the absolute-level effects, suggesting important implications for social media managers and providing a theoretical insight into the determinants of customer value.

Literature Review

As Fournier and Avery (2010) note, marketing strategies developed in the pursuit of more intimate customer relationships are not uniformly effective, and managers must realize that brands are not always welcome visitors within individuals' social media circles. Similarly, Weinberg et al. (2013) point out that consumers must have a compelling motivation to engage with brands on social media; otherwise, the brand's social media overtures and initiatives are likely to be unwelcome and ignored. Some scholars investigating computer-mediated and online environments argue that brands should strive to create compelling online experiences by encouraging an immersive state of flow (Novak, Hoffman, and Duhachek 2003), where flow is conceptualized as experiences arising from one's total involvement in a specific activity or situation (Csikszentmihalyi 1997). Studies have established that consumers may experience flow in both computer-mediated (Chen, Wigand, and Nilan 1999; Webster, Trevino, and Ryan 1993) and online environments (Childers et al. 2001; Huang 2006; Jaiswal, Niraj, and Venugopal 2010; Novak, Hoffman, and Yung 2000). Flow states may produce hedonic as well as utilitarian shopping value (Novak, Hoffman, and Duhachek 2003; Sénécal, Gharbi, and Nantel 2002). In two experiments, Van Noort, Voorveld, and van Reijmersdal (2012) find that website interactivity increases flow; in turn, higher levels of flow lead to more favorable website and brand attitudes as well as intentions to revisit the website and to purchase and recommend the brand. Van Noort, Voorveld, and van Reijmersdal (2012) recommend that online marketers develop communication strategies that maximize the probability of consumers experiencing flow (see also Hoffman and Novak 1996).

Other scholars conclude that online marketers should instead focus on improving customer satisfaction (Bridges and Florsheim 2008; Hung, Chen, and Huang 2014; Lee and Overby 2004; Shankar, Smith, and Rangaswamy 2003; Zeithaml, Parasuraman, and Malhotra 2002). For example, Bridges and Florsheim (2008) empirically demonstrate that the immersive compo-

sponses to branded social media content (Havas Media 2015).

Research investigating consumer behavior in computer-mediated and online environments informs social media research, suggesting important directions for study. Some scholars propose that providing compelling online experiences requires creating an immersive state of flow (Novak, Hoffman, and Duhachek 2003; Van Noort, Voorveld, and van Reijmersdal 2012). For example, Hoffman and Novak (1996, p. 66) argue that, in an environment characterized by the “many-to-many communication model in which the consumer is an active participant in an interactive exercise,” online marketers should focus their efforts to “maximize the chances of the consumer entering the flow state.”

Other scholars, however, caution that providing website features related to generating immersive consumer states would be ineffective unless consumers also have access to utilitarian features that are helpful in meeting consumption needs and increasing customer satisfaction (Bridges and Florsheim 2008; Sénécal, Gharbi, and Nantel 2002; Zeithaml, Parasuraman, and Malhotra 2002). Further, Zeithaml, Parasuraman, and Malhotra (2002) argue that entertainment-related criteria such as flow are not relevant when the context is making a purchase, suggesting that firms should not invest resources at this stage in creating or encouraging immersion states, and should focus instead on improving service quality and customer satisfaction.

Thus, an important question facing managers is to what extent brands should focus on interaction satisfaction, interaction immersion, or both, in creating customer experiences taking place on social media. To our knowledge, there are no studies examining social media strategy that empirically evaluate whether brands should implement a satisfaction-only strategy (social media strategy focused on increasing customers' satisfaction with their brand interactions), an immersion-only strategy (social media strategy focused on creating immersive experiences for consumers), or a hybrid satisfaction-plus-immersion strategy (social media strategy focused both on increasing consumers' interaction satisfaction and interaction immersion).

The objective of this research, therefore, is to examine which of these three interaction strategies would be likely to create customer value for the firm. Customer value is defined as the value accruing to a firm from a customer's active interactions with the firm, prospects and other customers, and includes both transactional interactions, including purchases, as well as non-transactional behaviors (Kumar et al. 2010). Given that customer value has the potential to influence company profitability, it is important to explore ways in which it can be maximized (Kumar et al. 2010). As a result, Kumar et al. (2010, p. 207) advocate that “firms need to adapt customer management strategies and create opportunities to increase customer value.” Examining and redirecting the ways in which a firm employs social media offer one such opportunity for increasing customer value.

Our research makes three important contributions to the social media literature. First, a wide array of prior research has examined customer satisfaction (e.g., Blattberg, Malthouse, and Neslin 2009; Jaiswal, Niraj, and Venugopal 2010; Zeithaml, Parasuraman, and Malhotra 2002), immersion and flow (e.g., Hoffman and Novak 2009; Van Noort, Voorveld, and van Reijmersdal 2012), retention and loyalty (e.g., Blattberg, Malthouse, and Neslin 2009; Jaiswal, Niraj, and Venugopal 2010), and customer recommendation and influence behavior (Hennig-Thurau et al. 2010) in online environments. In this

more favorable attitudes toward the brand (Colliander and Dahmén 2011) and its products (Wang, Yu, and Wei 2012), greater loyalty and willingness to communicate with the brand (Labrecque 2014), and an increase in customer visit frequency and profitability (Rishika et al. 2013).

There are two main reasons for the growing influence of social media. First, brands are more than ever challenged to find new ways to effectively communicate with increasingly difficult-to-reach young consumers who are less likely to consume television, print and other traditional media, and more likely to rely on digital marketing communications (Singh 2013). Second, young consumers are increasingly influenced by their friends and peers when forming brand attitudes and making purchase decisions (Chen, Fay, and Wang 2011; Chen, Wang, and Xie 2011; King, Racheria, and Bush 2014). Coincident with the rise of social media usage is the expectation among these consumers that brands will follow suit in their adoption and usage of platforms such as Facebook and Twitter to manage interactions with customers (Labrecque 2014).

Hanna, Rohm, and Crittenden (2011) argue that consumers expect and even relish their role as active participants in brand–consumer interactions fueled by social media. On the one hand, this expectation requires brands to incorporate online social media within their communication strategies. On the other hand, consumers remain resistant to social media as a commercially-intensive platform, where unsolicited marketing is increasingly considered both annoying and intrusive (Fournier and Avery 2010; Schultz and Peltier 2013). Some researchers find that consumers primarily seek to experience emotional involvement on social media (e.g., Labrecque 2014). Adopting a relationship perspective, Labrecque (2014) invokes the construct of parasocial relationships—online relationships developed between individuals and firms that resemble the dynamics of actual interpersonal relationships—and finds that the higher levels of interactivity and openness characteristic of social media interactions lead to closer, more intimate and more emotion-driven relationships between consumers and brands. Labrecque (2014) also finds that consumers who perceive being engaged in such relationships with brands are more likely to be loyal and volunteer suggestions and other information to the brand. Other scholars argue that consumers' interest in social media brand interactions is limited to acquiring deals, discounts and other promotions (LaPointe 2012; Rapp et al. 2013). Rohm, Kaltcheva, and Milne (2013) find that more than 60% of millennials' interactions with brands on social media are initiated for utilitarian reasons, with the remaining interactions having symbolic or recreational motivations.

The variety of ways in which consumers engage with brands on social media has challenged brand managers to employ social media strategically and create content so that their interactions with consumers lead to the creation of customer value (Schulze, Scholer, and Skiera 2015). For instance, the fast food brand Taco Bell may use Facebook and Twitter to promote its new menu, whereas a brand competing in the fashion industry, such as True Religion, may employ the same two social media platforms to convey the excitement of Fashion Week in New York City with live updates and video content. Hence, there is a need for research studying the varying types of brand–consumer interactions taking place on social media and their impact on customer value (Ratchford 2015). The need for such studies becomes even more compelling in light of recent findings suggesting low levels of consumers' emotional re-

Social Media and Value Creation:

The Role of Interaction Satisfaction and Interaction Immersion

Mitchell Hamilton ■
Mitchell.hamilton@lmu.edu
Velitchka D. Kaltcheva ■
velitchka.kaltcheva@lmu.edu
Andrew J. Rohm ■
arohm1@lmu.edu

Department of Marketing and Business Law, College of Business Administration, Loyola Marymount University, Los Angeles, CA 90045, United States
Available online 25 September 2016

abstract

This research examines the effects of social media brand–consumer interactions on three types of customer value: customer lifetime value (CLV), customer influence value (CIV) and customer knowledge value (CKV). By examining the differential effects of consumers' satisfaction and immersion with social-media brand interactions on CLV, CIV and CKV, the authors identify conditions under which interaction satisfaction and interaction immersion create value for brands. Results suggest that whereas interaction satisfaction positively influences both CLV and CIV, interaction immersion impacts both CIV and CKV. The authors identify social media strategies for brands related to interaction satisfaction and immersion that are based on the three types of customer value studied. The findings reported offer important managerial and theoretical implications with respect to the effects of discrete social media interactions on customer value creation.

©2016 Direct Marketing Educational Foundation, Inc., dba Marketing EDGE. All rights reserved.

Keywords

Brands; Brand strategy; Social media; Customer interactions; Online marketing; Customer value creation; Immersion; Online flow; Satisfaction

Introduction

Social media such as Facebook and Twitter provide completely new ways for brands and consumers to interact, and thus have become important platforms for brands seeking to create customer value (Adjei, Noble, and Noble 2012; Gensler et al. 2013; Hennig-Thurau et al. 2010; Labrecque 2014; Rishika et al. 2013; Rohm, Kaltcheva, and Milne 2013). Research has shown that a brand's use of social media can result in positive outcomes such as enhanced interpretation and response to brand communications (Van den Bulte and Wuyts 2007), increased brand attachment (Gensler et al. 2013),