Routledge
Taylor & Francis Group

The Mediating Role of Customer Relationship on the Social Media Marketing and Purchase Intention Relationship with Special Reference to Luxury Fashion Brands

Vikas Gautam [ID][a] and Vikram Sharma[b]

[a]IBS Business School Gurgaon, IDPL Complex, Dundahera, Gurgaon, India; [b]IBS Business School Gurgaon, Marketing, IDPL Complex, Dundahera, Gurgaon, India

ABSTRACT

The reach of internet technology and social media has opened abundance of opportunities for marketers as well as for consumers across the globe. To anticipate future purchase behavior of consumers, marketers are not leaving any stone unturned. The main objective of this study is to investigate the direct and indirect impacts of social media marketing activities (entertainment, customization, interaction, word of mouth, and trend) on consumers' purchase intentions in luxury fashion brands. This study employed higher order Structural Equation Modeling to test the study model with ($n = 243$) sample data. We found positive significant impacts of social media marketing and customer relationships on consumers' purchase intentions. In addition, our study model confirmed full mediation of customer relationships in the relationship between social media marketing and consumers' purchase intentions. Based on our research findings, we strongly recommend that marketers of luxury fashion brands engage in social media marketing activities to provide value to customers.

Introduction

The growth of internet technology has transformed the communication mode that affects billions of people across the globe. Popularity of social media has its roots in the early nineties and it is some sort of online community built on internet technology that aimed at facilitating more interactions among businesses and its customers without any physical boundaries (Campbell, Anitsal, & Anitsal, 2013). According to Zhou and Wang (2014), a large number of companies are making social media as an important part of marketing strategy on the basis of highly promising features such as; large and swift expansion of internet users, ease of use, speed of internet, etc. Marketers are motivated to engage in social media marketing due to high growth of internet and registered social media users (Carim & Warwick, 2013).

CONTACT Vikas Gautam ✉ vgautam78@gmail.com ICFAI Business School Gurgaon, IDPL Complex Old Delhi-Gurgaon Road, Dundahera, Gurgaon, Haryana, India-122001.

According to Nair (2011), Social media refers to "online tools where content, opinions, perspectives, insights, and media can be shared … (and) at its core social media is about relationships and connections between people and organizations." The above mentioned tools include blogs, chat rooms, consumer product rating sites, discussion boards, social network sites, vlogs (video logs), widgets, and wikis. Social media is becoming increasingly widespread and popular with consumers. Social network sites (active on social media) permit users to build profiles on the site, and further post and share information while communicating with other users of the site (Kaplan & Haenlein, 2010). Social Media offers more opportunities for the marketers to connect and network with customers in comparison to traditional marketing media (Gros, 2012). The virtual communities are playing vital roles as important networks of consumers' acquaintances to influence their behaviors (Fotis, Buhalis, & Nicos, 2012). As of June, 2016, Facebook claims to have over 1.65 Billion subscribers, who are interacting through pages, groups, events and community pages etc. and generating 600 TB (Tera Bytes) of data on daily basis (www.facebook.com). According to Wang and Chang (2013), social media instruments help in understanding internet usage pattern of customers, searching product information pattern, customers' reviews about their experiences with products, consumer decision-making process etc. Furthermore, Best, Manktelow, and Taylor (2014) found that this comprehensive information about consumers is helping marketers to come out with wider options in terms of designing marketing strategies in the areas of advertising, customer relationship management, digital content generation and dissemination, communication with target publics all at a very less cost.

Use of social media sites such as Facebook, LinkedIn, Youtube, and Twitter have already stretched to almost every luxury fashion brand and been appraised as business take-off tools. Superior technology has started providing advantages to the luxury fashion industry while brands and customers are building and corroborating relationships via the social media sites. With the advent of these interventions, brands feel relaxed in introducing themselves and provide highly customized information while engaging in a casual / relaxed interaction with customers. Luxury fashion market is getting very competitive with the entry of many new players. In addition, economic downturn cycles have posed many challenges for luxury firms across the globe.

The big Indian market is on the top priority for almost all luxury fashion brands due to various factors like; increase in disposable income, change in mind set about credit, more employment and entrepreneurial opportunities, information affluence due to high internet penetration etc. Social media, a two way communication platform has become most preferred option for luxury fashion brands to connect with their target audience for sharing information and preferences. For example, Germany based Mercedes Benz uses GenerationBenz.com as an invite only forum where very few young customers can give personal feedback on vehicles; Austrian crystal brand Swarovski currently links with four international fashion blogger to advertise its jewellery spring collection.

As a result, firms and brands are able to introduce themselves and provide information in an effective way while engaging in a casual interaction with customers. Ever increased use of social media by luxury fashion brands in marketing communications has emphasized marketing researchers to analyze the impact of social media marketing on purchase intentions of consumers. Marketing takes customer relationships very seriously and in this study we intended wanted to investigate direct and indirect impacts (via customer relationship) of social media marketing on purchase intentions of consumers.

Literature review

To match with the current market trends, every luxury brands have created their own Twitter accounts or Facebook pages (e.g., https://www.facebook.com/converse, https://www.facebook.com/victoriassecret, https://www.facebook.com/adidasoriginals, https://www.facebook.com/nikefootball, https://www.facebook.com/Zara, https://www.facebook.com/Levis, https://www.facebook.com/Burberry/, etc.). Old-fashioned one-way communication has been transformed into interactive two-way direct communication by removing all restrictions related to time, place, medium, etc. As a result, brands and consumers are communicating uninterruptedly for mutual benefits. According to Aula (2010), social media is highly interactive platform, where users share and process information with others. Miller, Fabian, and Lin (2009) studied the importance of social media and concluded that it lies in the interaction between consumers and the community. Further, authors argued that social media helps in the facilitation of instantaneous, interactive, less costly and effective communications. In the present technological driven and highly informative world, blogs, micro-blogs, internet communities, and social networks have become a part of life for majority of people globally. Therefore, social media have become alternative communication tools supporting existing relationships and activities in a pleasant way that can augment the users' experiences. Furthermore, increased use of social media provides a platform for fostering brands and affecting purchasing preferences or decisions of consumers.

Kierzkowski, McQuade, Waitman, and Zeisser (1996) identified five elements of e-marketing framework for success in the field of digital marketing namely; Relate, Attract, Engage, Retain, and Learn. Authors considered e-marketing as an early stage of social media marketing. Teo (2005); Chan and Guillet (2011) used this framework in their social media marketing studies. But there was no consensus about framework generalization. Colliander and Dahlen (2011) conducted a study to compare consumer reactions to blogs and online magazines. Authors concluded that consumers exposed to information on blogs and online magazine content build stronger brand attitudes and higher purchase intentions.

Later, Kim and Ko (2012) devised a new framework for social media marketing. In their study, they investigated the role of social media marketing activities in increasing customer equity with reference to luxury fashion brands. They suggested

five factor framework to measure social media marketing activities like; Entertainment, Interaction, Trendiness, Customization and WOM (Word-Of-Mouth).

Long-term relationships with consumers have been recognized more valuable over transactional satisfaction by scholars in marketing academia (Gummeson, 2002; Grönroos, 1997; Webster, 1992). As a result, relationship marketing has attracted attention of marketing researchers across the world. Morgan and Hunt (1994) defined relationship marketing as "all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges." Further, Tsai (2009) posited that relationship marketing focuses mainly on relational interactions between an organization and its consumers and author stressed on the fact that these relational transactions must be the core elements of all marketing activities of the organization. Relationship marketing leads to consumers' satisfaction (Mithas, Krishnan, & Fornell, 2005), loyalty (Rauyruen & Miller, 2007), and firm's performance (Reynolds & Beatty, 1999). Now it is quite evident that relational interactions are highly effective in building long-term relationships with customers. Social media, as one of the two-way communication tools is facilitating firms to communicate effectively with their customers. Consumer loyalty is mostly ensured in long-term relationships. Therefore, in this context, firms need to build sturdy relationships with their customers for sustainability in highly competitive business environment. Academic literature in the area of customer relationships with respect to fashion marketing exhibited evidences for Intimacy and trust as main constructs. While this study aims to investigate how SMM influences customer relationships and purchase intention, it considered intimacy and trust as representatives of a customer relationships construct.

Intimacy

Sternberg (1996) explained intimacy as feelings of closeness, connectedness, and bondedness. Intimacy is a subject of acquaintance that accrues over time (Carroll & Ahuvia, 2006). It is all about the feelings derived from interaction with a product or a brand or a firm. According to Roberts (2005), intimacy incarcerates the associations (affective and connective) between a brand and a consumer. These associations may be in the forms of firm's understanding of consumers' opinions and preferences, a long-term commitment of a consumer, the enjoyable interaction of a consumer with a brand etc.

Trust

Chaudhuri and Holbrook (2001) beautifully defined trust as "A degree of tendency to believe in a certain brand's ability to perform a promised function." Authors further argued that trust is a well-designed process and has been considered a vital factor for ascertaining loyalty by the customers. Lau and Lee (1999) argued that based on the trust factor only, positive behaviors such as; intentions to purchase, positive word of mouth, recommendation etc. are created. Hence, positive and strong conviction in a brand becomes an elementary constituent of a customer

relationship. In case of luxury fashion brands, trust of customers will help firms to earn brand equity. The increase in brand equity is an indicator of market acceptance. Hence this will help luxury brands in sustainability.

Purchase intentions refer to the possibilities of purchases made by consumers in near future. As this action is future oriented, many researchers across the globe had used purchase intentions construct to estimate the future profits of brands in different product categories. According to Ko, Kim, and Zhang (2008), it is of utmost importance for a company to understand buying behavior of its customers in designing customer acquisition and retention strategies. Purchase intentions have strong relationships with attitudes and preferences toward a particular brand or a product (Kim & Lee, 2009). As customer relationships are built on attitude toward a brand, purchase intentions of consumers are expected to be influenced by these relationships.

Significance of the study

Social media marketing has become a very effective and useful two-way communication channel between marketers and customers globally. In order to remain competitive and effective, there is a strong need to modify their methods in responding to consumers' needs and wants. Social media marketing activities provide better communication opportunities to marketers for wider reach and building long term effective relationships with customers. The growth of social media marketing activities has facilitated consumers to interact virtually with other consumers across globe about all brands under different product categories. In case of luxury fashion brands also, consumers are continuously using social media to share information and preferences. Therefore, it is of great interest for marketers to understand the influences of social media marketing activities and customer relationships on purchase intentions of consumers for growth and sustainability in the highly competitive luxury fashion industry.

The objectives of the study were:
1. To investigate the effect of social media marketing on purchase intentions in luxury fashion brands.
2. To investigate the effect of customer relationships on purchase intentions in luxury fashion brands.
3. To test whether customer relationships has mediation effect in the relationship between social media marketing and purchase intentions in luxury fashion brands.

Research methodology

To examine the desired relationships among study constructs namely; social media marketing, customer relationships, purchase intentions, primary data were collected from the targeted respondents through field survey method. The focus of the research instrument was to understand the views of respondents about study constructs with reference to luxury fashion brands in social media.

Theoretical framework

Figure 1 presents a proposed model for outlining the Hypothesized relationships among Social Media Marketing Activities (Entertainment, Customization, Interaction, Word-Of-Mouth, Trend), Customer Relationships (Trust, Intimacy) and Purchase Intentions (PI)

Hypotheses of the study

The proposed research model of the study had 3 causal relationships among its constructs. The following hypotheses were formulated for the 3 paths of the study model:

H_1: Social media marketing has positive significant impact on purchase intentions

H_2: Customer relationships have positive significant impact on purchase intentions

H_3: Customer relationships mediate the relationship between social media marketing and purchase intentions

Sampling design and data collection

The population for this study includes consumers residing in Delhi, Capital city of India. Delhi is a cosmopolitan city of India having people almost every past of country. This feature makes it very competitive for field survey administration. We had screening question for potential respondent about familiarity about social media sites in addition to luxury fashion brands. We tested our study model with the help of primary data and we employed convenience sampling method for data
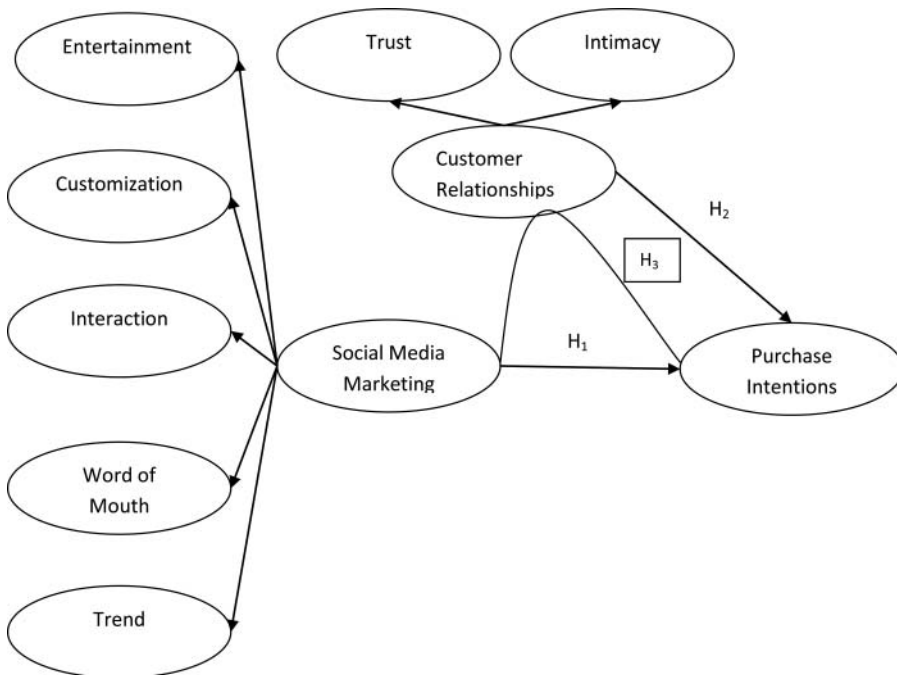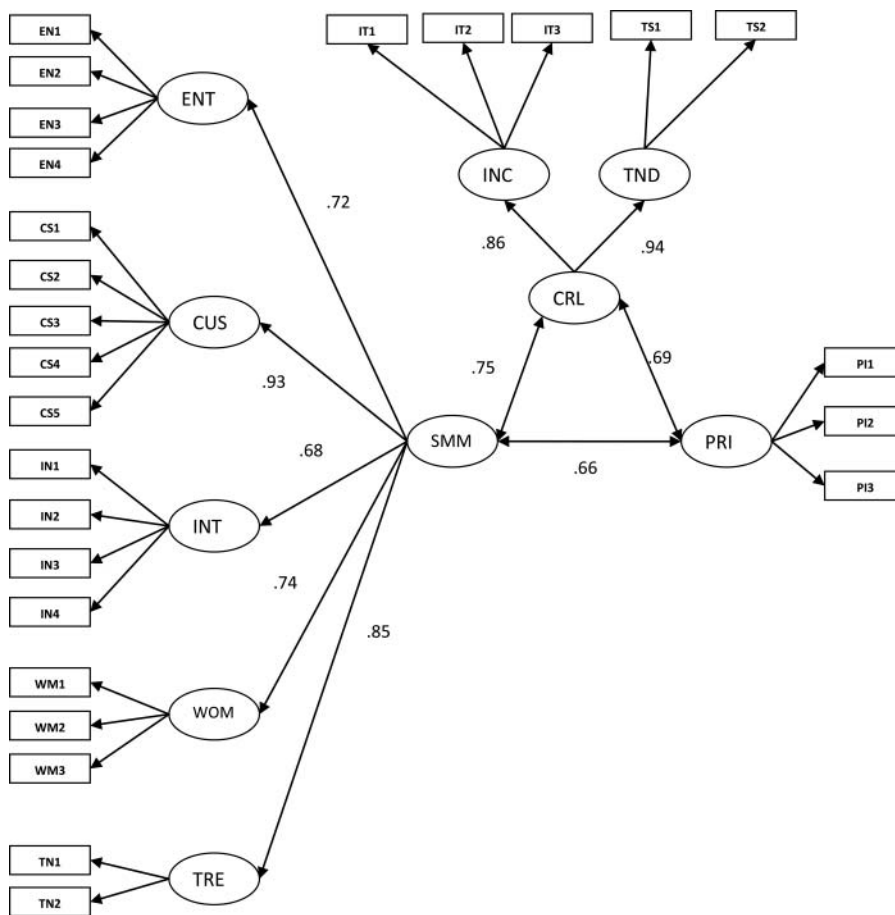

Figure 1. Model of the study.

Figure 2. Confirmatory factor analysis model.

collection. The measurement instrument used for the data collection was a structured questionnaire, which consists of eight constructs to measure the study variables namely; entertainment, customization, interaction, word of mouth, trend, trust, intimacy and purchase intentions.

We have collected 267 duly filled questionnaires from the respondents. After elimination of incomplete questionnaires (24), wherein excessive amounts of important data were missing, we were left with final 243 data point.

Sample size justification

To assess the structural relationships among the study constructs, Structural Equation Modeling (SEM) with AMOS 21.0 (Covariance based SEM) with maximum likelihood estimation was used. Although SEM is considered in case of testing robustness of study model, there is some specific sample size requirement. In Structural Equation Modeling as a rule of thumb, any number above 200 (critical sample size) is understood to provide sufficient statistical power for data analysis
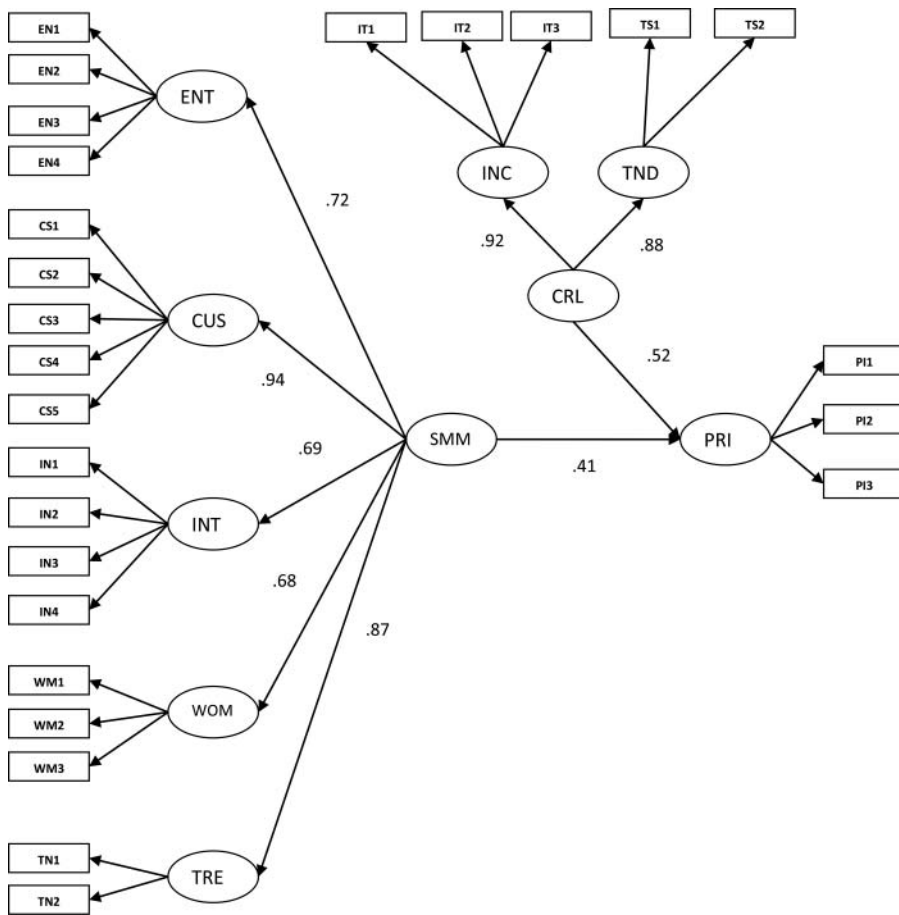
Figure 3. Higher order structural equation modeling results.

(Hoelter, 1983; Hoe, 2008). In the context of this study, a sample size of 243 is considered sufficient for testing model fit and study hypotheses.

Research instrument

To measure social media marketing activities, we have adopted scale from Kim (2010), which had 25 variables and to measure customer relationships (5 variables; Trust = 3, Intimacy = 2), variables were adopted from the studies of Hennig-Thurau, Gwinner, and Gremler (2002); Ju and Chung (2002). Variables to measure purchase intentions (3 variables) were adopted from Park, Jeon, and Kwak (2007). All the study variables were measured on 5-point Likert's scale (1 = Strongly Disagree, 4 = Disagree, 3 = Neither Disagree Nor Agree, 4 = Agree, 5 = Strongly Agree).

Data analysis

We have analyzed data to meet the objectives of the study such as; general sample description, calculation of Cronbach's alpha values to check reliability of the
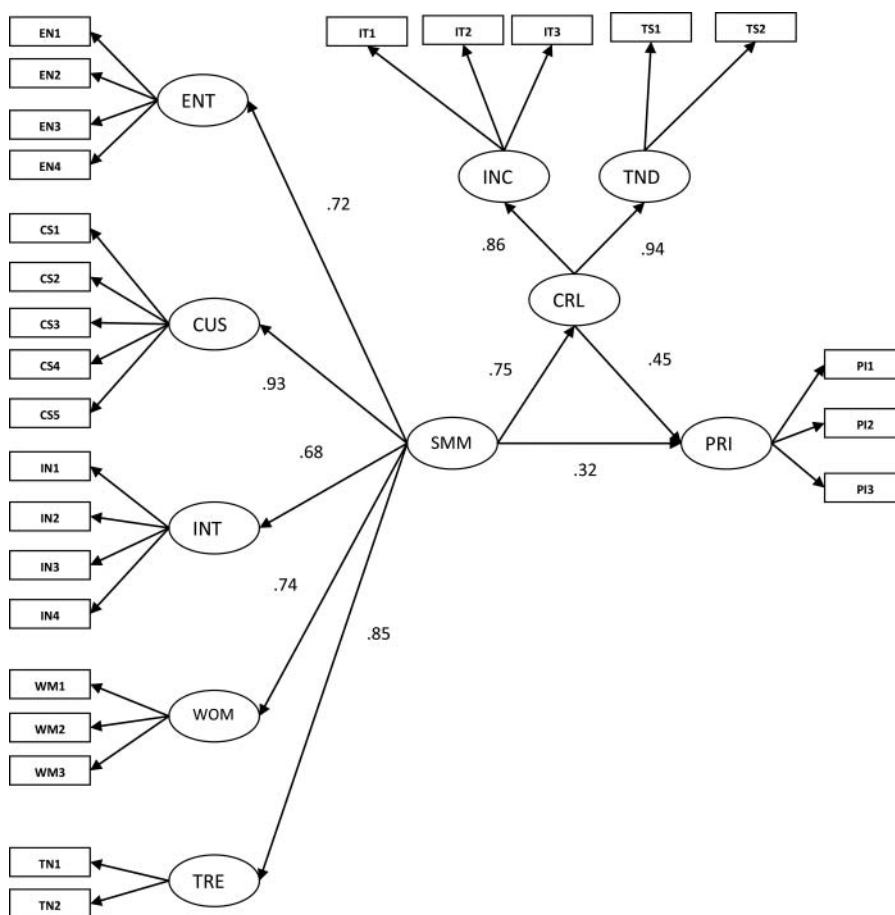
www.m

Figure 4. Mediation analysis model results.

measurement scales used in the study, confirmatory factor analysis to test the model fit, structural equation modeling using AMOS 21.0 to estimate the complete study model and test study hypotheses.

General sample description

It is evident from Table 1 that out of 234 sample respondents, 61.30% of the respondents were of the age group 21 to 25 years, 24.70% of 26–45 years, 7.40% of 36 to 45 years, 3.30% above 45 years.

Majority of respondents were males with 64.60% and females respondents were of less percentage of 35.40%. The majority of the respondents were unmarried (73.70%), as percentage of married was 26.03%. There were more post graduate respondents (57.60%) than graduate and others. Furthermore, the occupational variables showed the percentage of salaried/wage earner, student, professional, self-employment, business and others were 34.20%, 44.00%, 15.20%, 2.90%, 1.60%, and 2.10% respectively. In the field survey it was also found that

Table 1.

S.N.	Variable	Levels	Number	Percentage
1	Age	Below 20	8	3.3
		20–25	149	61.30
		26–35	60	24.70
		36–45	18	7.40
		46–60	8	3.3
2	Gender	Male	157	64.60
		Female	86	35.40
3	Marital Status	Married	64	26.30
		Unmarried	179	73.70
4	Educational Qualification	Pre-Intermediate	2	0.80
		Intermediate	7	2.90
		Graduate	94	38.70
		Post Graduate	140	57.60
5	Employment Status	Self Employment	7	2.90
		Salaried/Wage Earner	83	34.20
		Business	4	1.60
		Professional	37	15.20
		Student	107	44.00
		Others	5	2.10
6	Monthly Household Income (In Rs.)	Below 10000	25	10.30
		10000–25000	50	20.60
		26000–50000	50	20.60
		51000–75000	46	18.90
		Above 75000	72	29.60

the respondents came from different income backgrounds; a major part of them (29.60%) earned greater than Rs.75,000 monthly (household) but below Rs. 25,000 were 30.90%.

Data description (Mean, Standard Deviation, Reliability Analysis and Correlation Analysis)

The mean values of constructs of the study vary from 3.4156 to 3.8313 and standard deviations vary from 0.62598 to 0.87599. Further, we found evidence of significant correlation coefficients among constructs of the study. To test reliability of the measurement scales, we followed the criteria (Cronbach's alpha value > 0.70) suggested by Nunnally and Bernstein (1994). It is evident from the above Table 2 that all the Cronbach's alpha values range from 0.705 to 0.873, thus it can be concluded that the measurement scales used in the study met the reliability criteria.

Confirmatory factor analysis results

Confirmatory Factor Analysis model with first and second order constructs had a total of 64 distinct parameters and 351 distinct sample moments (see Figure 2). A minimum was achieved with chi-square value 422.473 (df = 287, $p < .000$). All the study parameters were practicable and standard errors in acceptable limits. Statistical significance of parameter estimates was established as test-statistic (t-value) in each case was greater than threshold limit of 2.58. The study model showed a good fit

Table 2. Reliability analysis results.

S.N.	Name of Construct	Mean	Standard Deviation	Cronbach's Alpha
1	Entertainment	3.6286	0.70247	0.705
2	Customization	3.5926	0.62598	0.726
3	Interaction	3.4156	0.70680	0.736
4	Word of Mouth	3.4966	0.79969	0.746
5	Trend	3.8313	0.74018	0.751
6	Trust	3.4294	0.85168	0.830
7	Intimacy	3.5144	0.87599	0.827
8	Purchase Intentions	3.5567	0.71505	0.752

exhibited by numerous goodness-of-fit indices. Ratio of minimum discrepancy (CMIN = 422.473) to degrees of freedom (DF = 287) was 1.472 (good if < 3), Goodness of Fit Index (GFI) was 0.885 (good if >0.90), Incremental Fit Index (IFI) was .941 (good if >0.90), Tucker-Lewis Index (TLI) was .932 (good if >0.90), Comparative Fit Index (CFI) was 0.940 (good if > 0.90), Root Mean Square Residual (RMR) was 0.047 (good if <0.05), Root Mean Square Error of Approximation (RMSEA) was 0.04 (good if < 0.08) 4, PCLOSE = .859 (good if close to 1), ECVI = 2.275. All indices barring GFI exceeded the recommended threshold levels (Browne & Cudeck, 1993; Bagozzi & Yi, 1988). Hence proposed study model was confirmed.

Convergent and discriminant validity

It is highly recommended in the literature that convergent and discriminant validities of measurement constructs should be ensured. In this study, convergent validity was checked by reviewing factor loadings, Average Variance Extracted (AVE) and Composite Reliability (CR) as suggested by Hair, Black, Babin, Anderson, and Tatham (2010). It can be concluded from Table 3 that all factor loadings and composite reliability surpassed the requirement of .70 criteria. Moreover, the average variances extracted (AVEs) in the case of all four constructs were all above the .50 level (Bagozzi & Yi, 1988; Fornell & Larcker, 1981), thus indicating high levels of convergence among the items in measuring their respective constructs.

Table 3. Correlations.

	EN	CS	IN	WM	TN	IT	TS	PI
EN	1							
CS	0.356*	1						
IN	0.246*	0.512*	1					
WM	0.396*	0.350*	0.308*	1				
TN	0.396*	0.464*	0.405*	0.442*	1			
IT	0.361*	0.335*	0.293*	0.479*	0.350*	1		
TS	0.350*	0.418*	0.382*	0.494*	0.424*	0.674*	1	
PI	0.421*	0.430*	0.399*	0.517*	0.461*	0.555*	0.631*	1

Notes. *= significant at 1% level of significance
EN = Entertainment; CS = Customization; IN = Interaction; WM = Word of Mouth; TN = Trend; TS = Trust; IT = Intimacy; PI = Purchase Intentions

Table 4. Results.

	CR	AVE	MSV	ASV	SMM	PRI	CRL
SMM	0.890	0.622	0.563	0.498	0.789		
PRI	0.833	0.624	0.477	0.455	0.658	0.790	
CRL	0.897	0.814	0.563	0.520	0.750	0.691	0.902

Notes. SMM = Social Media Marketing; PRI = Purchase Intentions; CRL = Customer Relationships

To assess discriminant validity, we followed the procedure suggested by Fornell and Larcker (1981) and Hair et al. (2010). The procedure states that the AVE should be greater than Maximum shared variance (MSV) or AVE should be greater than average shared variance (ASV) and the square root of AVE should be greater than correlation among the constructs. We found strong evidences in our analysis that all the AVEs were significantly greater than MSVs as well as ASVs. Also the square root of AVE was greater than correlation among the constructs (square roots of AVE are mentioned in bold across diagonals in Table 4). Thus, discriminant validity among the constructs was established.

Structural equation modeling results (Hypotheses Testing)

The parameters estimates from this study model are evident from structural model of SEM in terms of path coefficients.

Structural equation modeling results (Direct Relationships)

It is quite evident from Figure 3 and Table 5 that study hypotheses testing for direct impact of Social Media Marketing (SMM) and Customer Relationships (CRL) on Purchase Intentions (PRI) were supported at 5% level of significance. We found positive significant effect of Social Media Marketing on Purchase Intentions ($\beta = 0.412, p = 0.020$) and Customer relationships on Purchase Intentions ($\beta = 0.520, p < 0.000$).

Mediating impact of customer relationships in the relationships between social media marketing and purchase intentions

In our study, one of the objectives was to test for the mediation impact of Customer Relationships in the relationships between Social Media Marketing and

Table 5. Mediation analysis results.

Relationship	Direct without Mediator (Customer Relationships)	Direct with Mediator (Customer Relationships)	Indirect
PRI <— SEM	0.412 (.020)	.320 (.059)	0.338 (0.026) Full Mediation

Table 6. Mediation analysis results.

Relationship	Direct without Mediator (Customer Relationships)	Direct with Mediator (Customer Relationships)	Indirect
PRI <— SMM	0.412 (.020)	.320 (.059)	0.338 (0.026) Full Mediation

purchase intentions of consumers. We have used the model given in Figure 4 to assess the proposed mediation impact.

We have followed the method suggested by Baron and Kenny (1986) to test for mediation analysis in Structural Equation Modeling (SEM) by using AMOS. This test is conducted in 3 steps:

Step 1: First of all, path coefficient with p-value was calculated for direct relationship between SMM (Independent Variable) and Purchase Intentions (Dependent Variable) was calculated

Step 2: Secondly, path coefficient with p-value was calculated for direct relationship between Purchase Intentions as Dependent variable and SMM and Customer relationship as Independent variables.

Step 3: Finally, path coefficient with p-value for indirect relationship was checked with the help of bootstrapping to decide about no, partial or full mediation.

In our study, customer relationships was tested for mediating impact in the relationships between social media marketing and purchase intentions of consumers with reference to luxury fashion brands. The mediation analysis was conducted with the help of structural equation modelling and results are presented in Table 6.

It can be concluded from Table 6 that customer relationships had fully mediated relationship between social media marketing and purchase intentions ($\beta = 0.338$, $p = 0.026$). It can be concluded that mediation hypothesis was supported at 5% level of significance.

Conclusion

This study had three objectives, first to investigate the direct effect of social media marketing on purchase intentions, second to investigate the direct effect of customer relationships on purchase intentions and third to test for mediation effect of customer relationships in the relationship between social media marketing and purchase intentions. The study results provided evidence of positive significant effect of social media marketing and customer relationships on purchase intentions. Further, we tested mediating impact of customer relationships on the relationship between social media marketing and purchase intentions. Results of indirect effect tested with the help of structural equation modeling confirmed full mediation ($\beta = 0.338$, $p = 0.026$). We concluded that customer relationships had greater effect on purchase intentions ($\beta = 0.520$, $p < 0.000$) in comparison to social media relationships ($\beta = 0.412$, $p = 0.020$). Furthermore, customer relationships had been proved very important (full mediation) in deciding purchase intentions of consumers in context of luxury fashion brands.

Implications of the study

Management researchers across the globe have been working to decipher purchase intentions of consumers in different product categories. In case of luxury fashion brands, social media marketing activities namely; entertainment, customization, interaction, word of mouth, trend are impacting purchase intentions. In addition, customer relationships in terms of trust and intimacy are greatly impacting consumers' purchase intentions. Our empirical research results confirmed positive significant effects of social media marketing activities and customer relationships on purchase intentions of consumers. We propose to the marketers in the area of luxury fashion brands that they must put special efforts to focus on social media marketing activities (entertainment, customization, interaction, word of mouth, and trend) individually to anticipate purchase intentions. They need to integrate their social media marketing activities with focus on customer relationships (trust and intimacy) to understand more precisely the consumers' purchase intentions.

In the current highly competitive marketing environment, to maximize long-term performance, consumers' future behavior or intentions to purchase is a key strategic asset that must be observed and cherished. To strengthen the bond between customer and brand, customer relationships are of prime importance. Therefore, use of social media for marketing communications seems to be the most apt medium for luxury fashion brands. Customer relationships are an outcome of trust and intimacy. To strengthen the trust, consumers are getting opportunities to interact with other users of social media. Trust gained while enjoying entertainment casually and communication provided on the social media sites seems to contribute greatly toward profits and growth of luxury fashion brands.

With the mounting interest of luxury fashion brands in providing high-end value to customers in every possible way, using social media appears to be apposite for customer retention and attracting new customers. Luxury fashion brands are providing numerous alternatives to consumers to remain competitive. In the current competitive marketing environment, emphasis on consumers as valuable assets cannot be productive every time. Therefore, it is highly recommended for the marketers of luxury fashion brands to engage in social media marketing activities to foresee an affirmative contribution to the brands by providing new luxury value to customers.

Limitations and future scope of the study

The results of this study are not free all types of limitations. First limitation is related to data used for analysis in this study. The results of the study are based on cross-sectional primary data, which may lead to measurement error. Respondents for this study were expected to respond to close-ended questions. Moreover, study model was tested with the help of primary data collected from a small geographical area in India (National Capital Region). These limitations restrict generalization of study results to wider geographical areas. Similar types of studies should be

conducted to validate the findings of this study. Future study can check for impact of socio-demographical variables (age, gender, income groups, education backgrounds, etc.) as moderators in the relationships among social media marketing activities, customer relationships, and purchase intentions of consumers.

ORCID

Vikas Gautam ⓘ http://orcid.org/0000-0002-3363-8313

References

Aula, P. (2010). Social media, reputation risk and ambient publicity management. *Strategy & Leadership*, *38*(6), 43–49.

Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, *16*(1), 74–94.

Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic and statistical considerations. *Journal of Personality and Social Psychology*, *51*, 1173–1182.

Best, P., Manktelow, R., & Taylor, B. (2014). Online communication, social media and adolescent wellbeing: A systematic narrative review. *Children and Youth Services Review*, *41*, 27–36.

Browne, M. W., & Cudeck, R. (1993). Alternative ways of assessing model fit. In K. A. Bollen & J. S. Long (Eds.), *Testing structural equation models*, (pp. 136–162). Beverly Hills, CA: Sage.

Campbell, S. R., Anitsal, I., & Anitsal, M. M. (2013). Social media's key success factors: An analysis of customer reactions. *Business Studies Journal*, *5*(1), 43–57.

Carim, L., & Warwick, C. (2013). Use of social media for corporate communications by research-funding organisations in the UK. *Public Relations Review*, *39*(5), 521–525.

Carroll, B. A., & Ahuvia, A. (2006). Some antecedents and outcomes of brand love. *Marketing Letters*, *17*, 79–89.

Chan, N. L., and Guillet, B. D. (2011). Investigation of social media marketing: How does the hotel industry in Hong Kong perform in marketing on social media websites? *Journal of Travel & Tourism Marketing*, *28*(4), 345–368.

Chaudhuri, A., & Holbrook, B. (2001). The chain of effects from brand trust and brand affects to brand performance: The role of brand loyalty. *Journal of Marketing*, *65*(2), 81–93.

Colliander, J., & Dahlén, M. (2011). Following the fashionable friend: The power of social media weighing publicity effectiveness of blogs versus online magazines. *Journal of Advertising Research*, *51*(1), 313–320.

Fornell, & Larker, D. F. (1981). Structural equation models with unobservable variables and measurement errors: Algebra and statistics. *Journal of Marketing Research*, *18*, 382–388.

Fotis, J., Buhalis, D., & Nicos, R. (2012). *Social media use and impact during the holiday travel planning process'*. Available at: http://eprints.bournemouth.ac.uk/19262/1/Fotis_et_al_2012__Social_media_use_and_impact_during_the_holiday_travel_planning_process.pdf (Accessed: 30 March 2016).

Grönroos, C. (1997). Value-driven relational marketing: From products to resources and competencies. *Journal of Marketing Management*, *13*, 407–419.

Gros, C. H. (2012). *The influence of social media on consumers during their purchase decision-making process and the implications for marketers*. Dublin, Ireland: Dublin Business School.

Gummeson, E. (2002). *Total relationship marketing*. Oxford: Butterworth-Heinemann.

Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2010). *Multivariate data analysis* (6th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.

Hennig-Thurau, T., Gwinner, K., & Gremler, D. (2002). Understanding relationship marketing outcomes: An integration of relational benefits and relationship quality. *Journal of Service Research*, *4*(3), 230–247.

Hoe, S. L. (2008). Issues and procedures in adopting SEM technique. *Journal of Applied Quantitative Methods*, *3*(1), 76–83.

Hoelter, D. R. (1983). The analysis of covariance structures: Goodness-of-fit indices. *Sociological Methods and Research*, *11*, 325–344.

Ju, S. R., & Chung, M. S. (2002). The effects of relational benefits between fashion retail stores and customers of relationship quality and customer satisfaction. *Journal of the Korean Society of Clothing and Textiles*, *26*(7), 1043–1055.

Kaplan, A., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, *53*(1), 59–68.

Kierzkowski, A., McQuade, S., Waitman, R., & Zeisser, M. (1996). Marketing to the digital consumer. *Mckinsey Quarterly*, *3*, 4–21

Kim, A. J. (2010). *The effects of perceived social media marketing activities on customer equity and purchase intention: Focus on luxury fashion brands*. Unpublished Master's Thesis, Yonsei University, Seoul, South Korea.

Kim, A. J., & Ko, E. (2012). The impact of design characteristics on brand attitude and purchase intention: Focus on luxury fashion brands. *Journal of the Korean Society of Clothing and Textiles*, *34*(2), 252–265.

Kim, H. J., & Lee, H. Z. (2009). The effect of the well-being consumer value orientations, the perceived value and brand preference on purchase intention of the environment- friendly cosmetic. *Journal of Korean Society Clothing Industry*, *15*(1), 327–348.

Ko, E., Kim, K. H., & Zhang, H. (2008). A cross cultural study of antecedents of purchase intention for sports shoes in Korea and China. *Journal of Global Academy of Marketing Science*, *18*(1), 157–177.

Lau, G. T., & Lee, S. H. (1999). Consumers' trust in a brand and the link to brand loyalty. *Journal of Market Focused Management*, *4*, 341–370.

Miller, K. D., Fabian, F., and Lin, S. J. (2009). Strategies for online communities. *Strategic Management Journal*, *30*(3), 305–322.

Mithas, S., Krishnan, M. S., & Fornell, C. (2005). Why do customer relationship management applications affect customer satisfaction?. *Journal of Marketing*, *69*(4), 201–209.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *The Journal of Marketing*, *58*, 20–38.

Nair, M. (2011). Understanding and measuring the value of social media. *The Journal of Corporate Accounting & Finance*, *22*(3), 45–51.

Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory*. New York: McGraw-Hill.

Park, H. H., Jeon, J. O., & Kwak, W. (2007). The influence of perceived quality and VMD fitness of fashion brand on brand attitude and purchase intention. *Korean Marketing Management Research*, *12*(1), 55–70.

Rauyruen, P., & Miller, K. E. (2007). Relationship quality as a predictor of B2B customer loyalty. *Journal of Business Research*, *60*(1), 21–31.

Reynolds, K. E., & Beatty, S. E. (1999). Customer benefits and company consequences of customer-salesperson relationships in retailing. *Journal of Retailing*, *75*(1), 11–32.

Roberts, K. (2005). *Lovemarks: The future beyond brands* (2nd ed.). New York: Powerhouse Books.

Sternberg, R. J. (1996). Construct validation of a triangular love scale. *European Journal of Social Psychology*, *27*, 313–335.

Teo, S. H. (2005). Usage and effectiveness of online marketing tools among business-to-consumer (B2C) firms in Singapore. *International Journal of Information Management*, *25*(3), 203–213.

Wang, J. C., & Chang, C. H. (2013). How online social ties and product-related risks influence purchase intentions: A Facebook experiment. *Electronic Commerce Research and Applications*, *12*(5), 337–346.

Webster, F. E. (1992). The changing role of marketing in the corporation. *The Journal of Marketing*, *56*, 1–17.

Zhou, L., & Wang, T. (2014). Social media: A new vehicle for city marketing in China. *Cities*, *37*, 27–32.