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# Former Customers' E-WOM in Social Media Platforms: An Investigation of Motives, Network Size and Social Ties

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# **Abstract**

Former customers can potentially be highly beneficial to firms, however, their e-WOM activity has been neglected in prior research. This research recognises the need to broaden e-WOM research, especially regarding how former customers engage in e-WOM, what motivates them to do so and the impact they have in online social networks. The results of an online survey and two experimental studies empirically establish the role of former customers in online social networks, provide insights about their motives for engaging in e-WOM about goods and services they no longer use, and their impact in online social networks, which depends on the characteristics of these networks. Former customers with small networks and strong social ties have the strongest impact on other actors, followed by those with large networks and what this paper terms *utilitarian ties*. From a managerial perspective, this research identifies the role of former customers in online social networks and their optimal behaviours for the firm in terms of e-WOM sharing and recommends distinct ways in which the influencing behaviour of former customers should be managed.

Keywords: E-WOM, Former customers, Network size, Social Exchange Theory, Social Ties, Utilitarian Ties.

#### 1 Introduction

Recent research suggests that many businesses should capitalise on a likely revenue source: former customers (Dooley, 2019; Venkatesan, Petersen, & Guissoni, 2018). Former customers are defined as customers who have ceased buying or using a firm's goods or services (Venkatesan, 2017). Former customers have ended the business relationship, which may be contractual in nature (e.g. subscription to a streaming video service, broadband or telephone or mobile service), or non-contractual (e.g. purchases from a retailer, hospitality services) (Kumar, 2013). For firms, former customers can have rewarding potential (Kumar, Bhagwat, & Zhang, 2015; Venkatesan et al., 2018), given their prior willingness and ability to buy (Stauss & Friege, 1999).

The customers are likely to be the best judge of whether they plan to repurchase and, therefore, best-placed to define their own status. Former customers' status in this study is therefore conceptualised as 'perceived by former customers'. If circumstances change, such customers may repurchase goods or services, but currently with no intention to do so, would not consider themselves to be customers of that firm. For example, customers may have purchased goods or used services in the past but no longer need such goods or services, hence, consider themselves to be former customers. However, if they do have plans to repurchase/reuse, their perception of their own customer status will differ. As such, this paper defines former customers as: 'customers who perceive themselves as former customers because they ceased buying or using the firm's goods or services and have no repurchase intentions over the predictable future at the time of measurement'.

Research into former customers has focused predominantly on issues related to the retention and re-acquisition of former customers (Dooley, 2019; Kumar et al., 2015; Stauss & Friege, 1999) suggesting that firms can gain a higher net return on investment (214%) from winning back former customers compared to new customers (23%) (Kumar et al., 2015).

Despite highlighting the importance of considering the influence of former customers in

online social networks (Venkatesan, 2017), prior research has not systematically examined former customers' electronic word of mouth (e-WOM) activity in their online social networks, which this paper argues to be a prevalent behaviour that can potentially benefit firms.

The literature on e-WOM is extensive, and the most commonly cited definition of e-WOM includes former customers: 'Any positive or negative statement made by potential, actual, or *former customers* about a product or company, which is made available to a multitude of people and institutions via the Internet' (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004, p. 39). Nevertheless, the e-WOM activity of former customers has been neglected in empirical research. Unlike prior research that views former customers as dissatisfied, and thus likely to engage in negative e-WOM, (Azer & Alexander, 2020a; Berger, Sorensen, & Rasmussen, 2010), this paper proposes that former customers are not limited to those dissatisfied with previous interactions with a firm. Changes to personal circumstances such as a change in income, house move, children growing up or adopting a different diet can determine purchase habits. Moreover, the definition of e-WOM suggests the possibility that former customers may engage in positive e-WOM about former firm relationships.

E-WOM via social media is one important way in which actors (social actors embedded within online social networks such as potential, actual, or former customers (Azer & Alexander, 2020b)) communicate with and influence one another (Azer & Alexander, 2022; Berger et al., 2020), ultimately, influence a firm's value through referrals and recommendations (Alexander, Jaakkola, & Hollebeek, 2018). Given the contextual nature of e-WOM, both the content of the message and the network characteristics become more salient in e-WOM evaluation (King, Racherla, & Bush, 2014).

Social ties and network size are the two key network characteristics that determine communication in social networks (Berger, 2014). Previous research suggests that actors with large online social networks potentially have a high degree of influence (Freberg, Graham, McGaughey, & Freberg, 2011; Kumar et al., 2010; Venkatesan, 2017). However, 'large' in this context has not been clearly defined. Social ties are connections maintained by actors in their online social networks within which they interact and exchange varied kinds of information (Voyer & Ranaweera, 2015). Although, the role of online social ties is well recognised in the literature, most e-WOM studies focus on the strength of such ties. The form that these online social media ties take remains unclear as does how the characteristics of former customers' online social networks – specifically network size and types of social ties – can impact their influence within a network.

This paper aims to address the above research gaps by using the Social Exchange Theory (SET) as a theoretical anchor and Facebook as a social media context. Study 1 (survey) includes both exploratory and confirmatory components to establish whether the sharing of e-WOM by former customers is a common phenomenon, clarify the circumstances under which this phenomenon occurs, and identify former customers' motives for their continued engagement in e-WOM. Study 2 (experiment) provides new insights about how certain characteristics of former customers' social networks – network size and types of social tie – moderate their influence on attitudes and behaviours of other actors towards firms. In Study 2, this paper extends the scope of social ties by addressing an additional tie, conceptualized as *utilitarian ties*. Finally, Study 3 (experiment) builds on the results of both studies to show differences in influence on other actors due to the characteristics of social networks, the valence of e-WOM and the type of offering concerned (services/goods).

Overall, this paper makes several contributions to the e-WOM literature. First, it establishes the role of former customers in online social networks. Second, it empirically

identifies former customers' motives for e-WOM activity. Thirdly, this paper conceptualises and empirically investigates a new type of social tie that is shown to be salient for e-WOM in social networks. Given the SET's utilitarian roots (Blau, 1964; Cook & Rice, 2006), this paper expands the understanding of SET by introducing utilitarian ties to the existing dichotomy of weak and strong ties. Finally, this study contributes to the existing literature by empirically establishing the role of former customers in sharing e-WOM, previously only suggested as a possibility (Hennig-Thurau et al., 2004; Venkatesan, 2017).

# 2 Theoretical Background

# 2.1 Social Exchange Theory (SET) and e-WOM

The Social Exchange Theory (SET) uses socio-psychological principles to explain social behaviour during interactions. Its fundamental premise is that 'one person does another a favour, and while there is a general expectation of some future return, its exact nature is not stipulated in advance' (Blau,1964, p. 93). SET entails the exchange of positive or negative thoughts, feelings and behaviours about specific benefits or losses arising from various relationships, including customer–firm relationships (Cook & Rice, 2006). This applies directly to the sharing of e-WOM, which centres on the advantages and disadvantages, both social and economic, of prior experiences, shared with others for numerous reasons but especially for the benefit of the recipients.

When sharing e-WOM, actors exchange resources such as knowledge, skills, time and experience to share their experiences with their online networks, thereby contributing to others' purchase processes and potentially influencing their expectations and evaluation of offerings (Azer & Alexander, 2018; Jaakkola & Alexander, 2014). Consequently, attitudes and behaviours toward firms can also be influenced (Azer & Alexander, 2020b; Bowden, Conduit, Hollebeek, Luoma-aho, & Solem, 2017), ultimately affecting a firm's value (Pansari & Kumar, 2017).

Prior research suggests that e-WOM is likely to shape other actors' evaluations of a product or service before they finally make a purchase decision (Dessart, Veloutsou, & Morgan-Thomas, 2020). Although many studies have been conducted in this area, the focus has been primarily on the effect of actual or dissatisfied customers' e-WOM on sales revenue and other actors' purchase decisions (e.g., Azer & Alexander, 2020b; Babić Rosario, Sotgiu, De Valck, & Bijmolt, 2016). Given the potential influence of former customers via social networks, it has become critical for firms to understand the role of former customers within their online social networks (Park, Rishika, Janakiraman, Houston, & Yoo, 2018; Venkatesan, 2017).

# 2.2 Motives for e-WOM

In the past two decades, scholars have devoted significant attention to understanding the motives for generating e-WOM. The primary motives for e-WOM identified in the literature are altruism (Azer, Blasco-Arcas, & Harrigan, 2021; Hennig-Thurau et al., 2004); impression management (Belk, 2013; Berger, 2014); and emotions regulation (Gross, 2008; Zeelenberg & Pieters, 2004). However, it is unclear whether the same motives apply to former customers, with some motives stronger or weaker than others. Additionally, the effect of such motives on the frequency and valence of e-WOM is unknown; understanding these effects is very important because the frequency and valence of e-WOM shared by former customers can determine its usefulness to firms.

# 2.2.1 Impression Management

Individuals share e-WOM to shape the impressions others have of them (Belk, 2013; Berger, 2014). This, according to SET, forms part of the intangible returns expected from social exchanges (Blau, 1964). E-WOM can facilitate self-enhancement, fulfilling impression management motives (Berger, 2014). Specifically, impression management motives may explain sharing positive e-WOM to create a favourable impression on others (Hennig-Thurau et al., 2010; Huang, Chen, Yen, & Tran, 2015). The desire to appear in a more favourable

light is a fundamental human motivation (Azer et al., 2021; Belk, 2013) and, thus, universally applicable regardless of the type of customer. Therefore, former customers are likely to generate greater positive and lower negative e-WOM as a result of such motives.

The impact of impression management motive on the frequency of e-WOM is more complex. Despite the extant observations of overwhelmingly positive online product ratings (e.g., Babić Rosario et al., 2016; Chevalier & Mayzlin, 2006); more active posters are more negative while less frequent posters are more positive (Moe & Schweidel, 2012). Following this theorising, if impression management motives predominantly drive positive rather than negative e-WOM, it is expected that impression management will lead to a lower frequency of e-WOM overall.

H<sub>1</sub>: The greater the impression management motives of former customers, a) the more likely they are to generate positive e-WOM; b) the less likely they are to generate negative e-WOM; and c) the less frequently they will post in general about products and services they no longer use.

#### 2.2.2 Emotions Regulation

Generating e-WOM helps to regulate emotions. Emotions regulations refers to the way people regulate their emotions and how they express them (Hennig-Thurau et al., 2004). The tenets of SET suggest that communicating with others in social networks would facilitate emotions regulation by generating help and social support (Blau, 1964). However, emotions regulation drive customers to engage in e-WOM to confirm their own judgements and reduce feelings of doubt and uncertainty (Azer & Alexander, 2018). Since former customers have already ceased using the product or service concerned, it is unlikely that their behaviour is driven by the need to confirm their judgements or reduce feelings of doubt. Emotions regulation motives are also likely to dissipate over time; such effects are known to be time-sensitive (Berger et al., 2010; Hennig-Thurau, Wiertz, & Feldhaus, 2015). Therefore, this paper proposes that emotions regulation is unlikely to drive the frequency of sharing e-WOM in former customers.

Emotions regulations motives impact the valence of e-WOM, for example, by sharing negative emotional experiences to improve the poster's mood (Berger, 2014; Zeelenberg & Pieters, 2004) or to buffer negative feelings that arise from unsatisfactory experiences (Azer & Alexander, 2018). Nevertheless, based on the arguments above, such conditions are unlikely to apply to former customers who have already ceased using the product or service, nor is commenting on experiences from the non-immediate past likely to improve mood.

H<sub>2</sub>: The emotions regulations motives of former customers are unlikely to drive a) posting positive e-WOM, b) posting negative e-WOM, or c) the frequency of e-WOM in general about products and services they no longer use.

#### 2.2.3 Altruistic Motives

Sharing E-WOM could be for altruistic motives to help others make the right decisions (Babić Rosario, De Valck, & Sotgiu, 2020). Altruism is one of the exchange rules of SET, in which one person helps another (Meeker, 1971). Over the years, much debate has occurred in social psychology regarding the viability of the altruism phenomenon (Cropanzano & Mitchell, 2016). However, contemporary social psychology and recent e-WOM research support Meeker's (1971) contention that helping others can be intrinsically rewarding (Babić Rosario et al., 2020; Cropanzano & Mitchell, 2016). Unlike emotions regulation motives, altruistic motives are unlikely to dissipate over time (Berger, 2014; Hennig-Thurau et al., 2015): former customers will continue to share positive e-WOM about a product or service they no longer use to help others make the right decision and share negative e-WOM to warn others about a poor product or service (Azer & Alexander, 2018; Veloutsou, Chatzipanagiotou, & Christodoulides, 2020). In both cases, they are intangibly rewarded by a sense of influencing others to make sound decisions about products, services or brands. Therefore, driven by altruistic motives, former customers are expected to share both positive and negative e-WOM, ultimately increasing the overall frequency of e-WOM.

Although altruistic motives may increase the volume of former customers' e-WOM, its valence is likely to be impacted by the reasons for ending the relationship: ceasing firm-relationship due to a negative experience is likely to result in more negative e-WOM to warn others, whereas ending the firm-relationship for other reasons will be likely to lead to more positive e-WOM to benefit other actors in the network.

H<sub>3</sub>: The greater the altruistic motives of former customers, a) the more frequently they share e-WOM in general; b) such motives are likely to affect the valence of e-WOM depending on the reason for ceasing the firm's relationship such that i) negative prior experience will lead to negative e-WOM, and ii) non-negative experience with the firm will lead to positive e-WOM sharing.

In addition to the possible effect of socio-psychological motives of former customers on sharing e-WOM about goods and services they no longer use, the current study considers goods and services to be on the same continuum, as two distinct categories of offering (Pansari & Kumar, 2017). Service can be more intangible and harder to evaluate and is more likely to be associated with credence attributes (Lovelock and Gummesson 2004). Negative information can be more diagnostic about the offering (Wang, Menon, & Ranaweera, 2018), and its sharing may therefore be more desirable (Azer & Alexander, 2020b). It is unclear whether this trend also applies among former customers as this has not been addressed explicitly in the previous literature from the perspective of the e-WOM giver.

Compared to services, goods are high in search attributes, and purchase decisions involve minimal uncertainty as full information can be acquired in advance (Pan & Chiou, 2011); moreover, the evaluation of their quality does not rely solely on experience as with services (Christodoulides, Michaelidou, & Argyriou, 2012). Given the inherent difficulty in evaluating services, former customers will have fewer inhibitions about sharing negative experiences of services and are unlikely to be concerned about how others perceive them for any poor decisions made. Talking negatively about prior service choices signals less about them (Berger, 2014).

Conversely, goods have more tangible attributes and are easier to evaluate with minimal uncertainty; therefore, customers feel more responsible for their choices and former customers with poor choices about goods may believe that sharing negative e-WOM about the goods signals more about their weak decision-making. Therefore, this study suggests that former customers will share more positive than negative e-WOM about goods previously bought. While the category of offering (goods or services) will drive former customers to share *either* positive *or* negative e-WOM, it does not necessarily influence the frequency of sharing, as they are sharing either positively (goods) or negatively (services) valenced e-WOM and not both.

H4: The offering category will impact the valence and not the frequency of e-WOM shared by former customers about goods/services they no longer use, such that former customers will post a) more negative e-WOM about services, and b) more positive e-WOM about goods.

#### 3 Former Customers' Motives for e-WOM

# 3.1 Design and Procedures (Study 1)

An online survey, aimed at establishing the phenomenon under investigation and testing the hypotheses, was conducted using 210 Facebook users (females 45%, average age = 30.8 years, SD = 1.12), selected from the extensive network of Facebook connections to which the research team had access. A purposive sampling approach was employed to match the specific requirements of the study, in that the sample was selected to fit the variables of interest (Sharma, 2017). Informed by prior research that suggests actors with high degrees of influence are those with large social networks (Freberg et al., 2011; Kumar et al., 2010; Venkatesan, 2017), this study sampled those with a large network, > 600 as per recent social media statistics (Statista.com, 2020), confirmed by a screening question about the respondent's network size. The respondents were pre-selected using a screening question to ensure that they had the relevant knowledge: 'For a minute, please think about all the products and services you used to purchase but no longer use. Do you continue to write

about (recommend or criticise) any of those products or services to your Facebook friends?'

(I= never, 7=Always). Ten respondents answered 'never' were excluded from the sample.

All constructs were measured using previously validated scales, adapting prior measures to fit the current context (see Appendix A).

The literature consistently suggests that one motivation for posting about products and services on social media is expertise in such products and services (Lim & Chung, 2014). Expertise is therefore used as a control variable in this study. Former customers may end the firm-relationship for reasons unrelated to the firm, such as a lifestyle change, and their reasons may impact the valence accordingly. The model for this study, therefore, includes the primary effect of the reasons for ending the relationship in addition to the interactive effect hypothesised earlier.

Common-method variance (CMV) is often a concern when self-reported data is collected through a cross-sectional survey. Several procedural remedies were enforced at the data collection stage to minimise this concern: item ambiguity was reduced through careful pretesting, and the items were mixed in the questionnaire (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Post hoc statistical analyses were performed to assess the severity of the CMV bias. Harman's single factor test shows that the greatest variance explained by a single factor was 31%, which provides preliminary evidence that CMV is not a major contaminant of the results (Harman, 1976; Podsakoff et al., 2003).

Additionally, tests were undertaken to confirm convergent (AVE > .5) and discriminant validity (Bagozzi & Yi, 1988) – in which maximum shared variance and average shared variance were both less than the AVE value – as well as the reliability of the measures used. Confirmatory Factor Analysis (CFA) was performed on all the key scales using AMOS25 with maximum likelihood estimation. The measures had good reliability and the CFA revealed a good fit ( $\gamma^2/df = 2.0$ ; CFI = .95; RMSEA = .03; SRMR = .05) (Hu & Bentler,

1995). All measures displayed factor loadings above the minimum recommended value of .7 (Bagozzi & Yi, 1988) (see Appendix A).

#### 3.2 Results

A preliminary analysis indicated that the mean score for the likelihood of former customers continuing to share e-WOM about a product/service/brand was 5.23 on a scale of 1–7. Thus, the likelihood of e-WOM by former customers is high, and for 26% of the respondents, this score was very high: 6 or above.

To provide richer insights, thematic analysis was applied to the content, and the answers to the open-ended questions were coded. Emerged themes during open coding concerning the reasons for ending the relationship were then classified during axial coding into two dominant categories: firm-related (1) and former customer related (0). Similarly, themes that emerged during open coding about reasons to continue generating e-WOM about products and services no longer used were classified into either motives or prompts (a reminder to engage in e-WOM) during axial coding. This process corresponds to the analytical sequence of abstracting and comparing, followed by checking and refinement (Miles & Huberman, 1994). The coding was highly objective with high overall consistency between coders. Table 1 illustrates the emerged codes, percentage in data, and exemplars.

The survey investigated why respondents continue to recommend or criticise products or services they no longer use to their Facebook friends. The data reveals impression management and altruism to be motives, while emotions regulation was captured in a very small percentage of responses. Some responses revealed prompts rather than motives, based on a personal experience, a friend's action, or an action by the firm. Reasons for ceasing the relationship were mainly either related to the firm (e.g., unsatisfactory quality of service or product, poor value for money, unreliable service, better competitors, misleading advertising) or to the former customers and their life and priorities (e.g., moving house, children growing up, change in financial situation and commitments or health issues). Finally, goods were

coded as 1 and services 0. The data reveals that former customers continued to write about retail products including hygiene (23%), technology (14%), clothes (10%), food (9%), cosmetics (5%) and cars (2%), and about services such as hospitality (38%), contractual services (21%), entertainment (10%), banking (5%) and medical services (3%).

## Please insert Table 1 here

This study tested the hypothesised relationships using regression analysis. The interactive effect was created using mean-centred scores for altruistic motives in combination with the dichotomous variable, the reason for ceasing the firm relationship, coded as 1 (dissatisfaction) and 0 (other). When testing the model with interaction effects for negative and positive e-WOM, the variables were entered hierarchically to test the significance of the increase in variance explained due to the addition of the interactive effect. (See Models 1 and 2 respectively in Table 2).

Overall, the results confirm that impression management significantly motivates former customers to engage in more positive e-WOM and less negative e-WOM; as expected, impression management motives led to an overall decrease in the frequency of postings by former customers (H1). As predicted, emotions regulation motives did not drive the valence or frequency of e-WOM by former customers (H2). Stronger altruistic motives led to more frequent postings by former customers while interacting with the reason for ceasing the relationship in determining negative and positive e-WOM (H3).

To examine the interaction effects in detail, plots were drawn by dichotomising the altruistic motives scores (median split) to create high and low conditions (see Figure 1). For former customers who ended the firm-relationship due to dissatisfaction (other than dissatisfaction), the likelihood of sharing negative (positive) e-WOM is greater. Higher altruistic motives (indicated by the dark line) leads to a significantly stronger influence on negative (positive) e-WOM, reflected in the steeper gradient. In the presence of the

interactive effect of 'Altruism X Reason', all other principal effects remain unchanged in direction and significance, indicating the robustness of the main effects of the other independent variables.

The category of offering (H4) had significant effects on e-WOM valence. Specifically, former customers were more likely to share more negative e-WOM about services than goods. Finally, the control variable, expertise, was significant for all three endogenous dependent variables.

# Please insert Table 2 and Figure 1 here

#### 3.3 Discussion

Study 1 addressed former customers' role in online social networks by demonstrating that former customers continue to share e-WOM about products and services they no longer use. The study investigated their motives, and the results revealed some unique insights. First, emotions regulation motives for sharing e-WOM are irrelevant to former customers. This is likely because over time, the potential benefits of sharing information for emotions regulation purposes dissipate (Berger, 2014; Hennig-Thurau et al., 2015). Second, impression management continues to be a strong motive for former customers to share positive e-WOM about goods or services they no longer use, which resonates with SET's notion of expected intangible returns (Blau, 1964); while diminishing the likelihood of sharing negative e-WOM as well as the overall volume of e-WOM.

Altruistic motives affect the frequency of e-WOM, indicating that former customers continue to provide helpful comments to their social connections even after they have ceased their relationship with a firm. Interestingly, altruism impacts the valence of e-WOM in combination with the reason for ceasing the relationship. While altruism helps others to make sound decisions, impression management motives appear more egocentric (Babić Rosario et al., 2020; Belk, 2013); hence, more positive, and less negative e-WOM. These trends may help former customers appear more favourably in the recipients' minds (Moe & Schweidel,

2012), even when they are no longer customers. Therefore, former customers, despite continuing to stay engaged, have different motives. This finding represents an important contribution to the literature.

Finally, the substantive differences in former customers' posting behaviour between goods and services should be noted as an important but less well-understood marketing phenomenon, especially from the e-WOM giver's perspective (Berger, 2014). Specifically, former customers are more likely to share positive e-WOM about goods than services, and more likely to share negative e-WOM about services than goods. This finding empirically supports prior e-WOM conceptual arguments relating to sharing negative e-WOM about services, which are difficult to evaluate before consumption and disclose less about the sender (Berger, 2014; Moe & Schweidel, 2012).

This study empirically established that former customers continue to share e-WOM in their online social networks and examined the salient motivations. The next studies will investigate the impact of such e-WOM on other actors' attitudes and behaviours in their online social networks.

## 4 The Moderating Role of Online Network Characteristics

In any social network, all members do not exert an equal influence on their peers (Sweeney, Payne, Frow, & Liu, 2020). To study the impact of e-WOM in a social network, it is critical to consider the characteristics of that network; especially, social ties and network size (Berger, 2014; King et al., 2014). Network size is identified as a key indicator of greater influence (Venkatesan et al., 2018). However, the nature of social ties between actors in any network affects the acceptance, persuasiveness and, consequently, the influence of their communicated e-WOM (Babić Rosario et al., 2016; Menon & Ranaweera, 2018). Therefore, in addition to network size, the type of social tie is highly salient to this study. The types of social ties on social networks have received limited attention in the literature and a

comprehensive conceptualization is missing. Nor has the combined effect of network size and type of social tie been established in the existing literature.

# 4.1 An Expanded Conceptualisation of Social Ties

Social ties have traditionally been classified into strong and weak ties (Granovetter, 1973). Customers' relationships with close friends and family members are strong ties; relationships with mere acquaintances are considered weak ties (Steffes & Burgee, 2009; Wang & Chang, 2013). Social ties have been studied in marketing research – primarily in terms of closeness, defined either by frequency of interaction (Godes & Mayzlin, 2004; Wang & Chang, 2013), psychological closeness (De Bruyn & Lilien, 2008), or a combination of both (Brown & Reingen, 1987). Recent literature has identified the limitations of this strong-weak dichotomy: The 'focus on the dimension of closeness (behavioural or psychological) and the resultant bipartite understanding of social ties (strong/weak or close/distant), while fruitful, also imposes a significant constraint' (Menon and Ranaweera, 2018, p. 155). Similarly, this paper argues that online social ties are broader than mere psychological closeness. The close/strong-distant/weak dichotomy can therefore be suboptimal. In online social networks, interaction frequency can be a stronger determinant of a tie than closeness alone (Wang & Chang, 2013).

The extant research shows conflicting results regarding strong and weak ties, with various studies advocating more significant influence on the part of strong ties (Voyer & Ranaweera, 2015) and weak ties (Granovetter, 1973). While most studies have predominantly looked at the strong/close—weak/distant dichotomy, thereby oversimplifying the nature of ties, Menon and Ranaweera (2018) present a more complex categorisation, in which closeness, or lack thereof, can interact with other attributes, such as exchange orientation, in determining the nature of the tie and producing hybrid ties.

This paper adopts Menon and Ranaweera's (2018) principal argument that a close—distant or weak–strong conceptualisation oversimplifies social ties. Focusing on the actor-to-

actor ties predominantly found on social media platforms, this paper proposes the concept of 'utilitarian ties'. This expanded conceptualisation of ties is based on SET. It is derived from utilitarian foundations, and is based on social exchange (Blau, 1964; Cook & Rice, 2006) rather than the purely economic exchange found in customer - service provider relationships. Utilitarian ties may involve frequent interaction based on the immediate interests or needs of the receiver, even in the absence of psychologically close ties. As the interactions are based on immediate interests, they may be intermittent but can be intense during such periods of immediate need.

Importantly, the concept of utilitarian ties differs from utilitarian value, which is concerned with the usefulness of e-WOM. Utilitarian value is a consumption value that may influence the sender's e-WOM motivation. A consumer's perceived utilitarian value (e.g. value for money of a product or service) would influence their intention to generate positive e-WOM (Ryu, Han, & Jang, 2010). This centres on the consumption value of the product or service in terms of its utility to the consumer, which motivates the sender's e-WOM intentions and is distinct from utilitarian ties. Utilitarian ties capture the nature of the relationship between two parties. This study, unlike previous literature that has focused mainly on the dichotomy of strong and weak ties, considers that some ties are neither strong nor weak but depend rather on the immediate interest or need of the receiver, hence, their interaction with brand-related e-WOM sent by former customers.

The extension of the definition of social ties to include social and economic outcomes helps conceptualise utilitarian ties in social media and is particularly relevant to the sharing of e-WOM. Although there is no economic exchange between the parties – unlike in a customer service provider relationship – e-WOM can have both social and economic outcomes.

Recipients can gain economic benefit from the e-WOM recommendations they receive.

However, such e-WOM is given voluntarily and with no expectation of immediate payback

or reciprocity (Azer & Alexander, 2022; Hennig-Thurau et al., 2004). Network members depend on one another for information on the positive and negative aspects of product experiences (Osuna Ramírez, Veloutsou, & Morgan-Thomas, 2019). They share e-WOM for the benefit of others, knowing that others will reciprocate at some point, making them, in turn, beneficiaries (Azer et al., 2021; Cook & Rice, 2006).

This paper defines utilitarian ties as 'social network ties that are based on the actors' immediate interest/needs.' They are neither strong nor weak but, rather, ad hoc in nature. As such, they are not necessarily orthogonal to strong and weak ties. Facebook 'friends' who are not necessarily close nevertheless interact extensively, based on an immediate interest, need or salient topic. There is a strong exchange element involved in that both the sender and the receiver of information gain mutual benefits, such as impression management or altruistic motives (discussed in Study 1) for the sender and helpful or salient information for the recipient. Social exchange is based on the long-term exchange of favours and involves a series of interdependent actions that generate obligations to reciprocate (Lavelle, Rupp, & Brockner, 2007). In contrast, an economic exchange involves the short-term exchange of tangible resources on a quid pro quo basis. As such, the concept of utilitarian ties is distinct from the exchange and hybrid ties discussed by Menon and Ranaweera (2018) and is found in customer-service provider relationships.

This study also proposes that these utilitarian ties can interact with network size in determining impact. Research has shown a strong relationship between utilitarian motivations and attitudes towards brand-related social media messages, and hence, recipients' expected shopping behaviours (Kim, Martinez, McClure, & Kim, 2016). Customers' utilitarian function arises when they need to resolve an issue about a product or service that interests them by seeking information, such as advice from other customers in their social networks (Reichelt, Sievert, & Jacob, 2014). Therefore, this paper studies three types of online social

ties: the frequently studied strong and weak ties and the newly introduced utilitarian ties.

Offering a new approach to identifying how the characteristics of online social networks affect their influence, this study combines network size and an expanded conceptualisation of online social ties and hypothesize that:

H<sub>5</sub>: Former customers with (large vs. small) network size will impact (i) the attitudes and (ii) the behavioural intentions of other actors in their social networks towards the recommended product/service dependent on the type of the online social tie (strong vs. weak vs. utilitarian).

Concerning the interaction effect of network size and online social ties, former customers with weak ties are expected to have the least impact even with a large network size. Weak ties are less likely to be preferred as a primary information source (Steffes & Burgee, 2009) while strong ties are expected to have a strong – albeit complex and interactive – impact.

Pairs of individuals in strong ties are likely to know each other well (Brown, Broderick, & Lee, 2007). The existence of a small, well-connected network implies a rapid spread of influence throughout the network (Mislove, Marcon, Gummadi, Druschel, & Bhattacharjee, 2007). Hence, former customers with small networks are likely to be more connected and know more about one another than former customers in large networks, where it is more difficult to have intimate knowledge of others in such network. This suggests that former customers with small networks and strong ties have a greater impact than with large networks and strong ties.

Former customers with utilitarian ties are expected to show a stronger influence when paired with large network size. The paired individuals in large network are unlikely to know much about each other as interaction is only when the posts are of interest. Importantly, in the absence of additional information, Facebook users with large networks are generally perceived more favourably than those with small networks (Greitemeyer, 2016). Hence, due to the scarcity of information about network partners, it is likely that utilitarian ties are less valued in small networks. Therefore, we hypothesise that:

H<sub>5a</sub>: Former customers with small network size and strong ties will have a stronger impact compared to those with a large network and strong ties on (i) attitudes and (ii) behavioural intentions of other actors in their social networks toward products/services.

H<sub>5b</sub>: Former customers with weak ties will have the least impact on (i) attitudes and (ii) behavioural intentions of other actors in their social networks toward products/services, regardless of the network size.

H<sub>5c</sub>: Former customers with large network size and utilitarian ties will have a stronger impact compared to those with a small network and utilitarian ties on (i) attitudes and (ii) behavioural intentions of other actors in their social networks toward products/services.

## 4.2 Design and Procedures (Study 2)

The stimulus is designed to resemble a Facebook post. Network size and social ties were designed based on the latest market research on Facebook influencers' large network size and the range of interactions (50%) commonly achieved from brand-related posts (Hootsuite.com, 2017). For weak and utilitarian ties and small network sizes, the research team spent three months observing the level of interactions compared to network sizes of 500 Facebook users to decide on ties and size manipulations. Following recommended practice for scenario design (White & McBurney, 2013) and to avoid misunderstanding of the scenarios, the precise operationalised definition of each combination (network size and ties) was used. Moreover, to overcome the effect of social desirability, and following the recommendations of Cash, Stankovic, and Storga (2016), the nature of the ties and network size in each scenario were explicitly described and these descriptions reflected in the number of interactions (likes) and friends (network size). Participants were randomly allocated to different conditions in a between-subjects design. Finally, the study controlled for the effect of perceived source credibility, accounting for overall bias such as social desirability or source derogation. Scenario realism was pre-tested showing strong participant agreement for the realism of the scenarios (M=6.411, SD=1.633).

This study tests the above hypotheses using a 2 (network size: large and small) x 3 (online social ties: strong, utilitarian and weak) factorial (between-subjects) design that

resulted in six scenarios (see examples in Appendix B). A Facebook page simulation was created, showing a service-related post about a restaurant based on the highest percentage shown in Study 1 for hospitality services. The final design had adequate ecological validity (Sparks & Browning, 2011), and the scenario realism results show that the scenarios in this experiment are realistic (M= 6.02, SD= 0.37). Based on the recommendations of Hair et al. (2010), for an adequate sample size to achieve at least 0.05 of the alpha level with an acceptable power level of 0.8 (Cohen, 1988) and a large effect size in a multivariate analysis of variance (MANOVA), a sample of 300 respondents (females 49.4%, average age = 24.4 years, SD = 0.50) was recruited. The sample frequently used Facebook as also confirmed by questions about Facebook usage to support the sample's representativeness.

## 4.2.1 Manipulation Check and Measurements

Respondents were asked the following question to check their understanding of the network size treatments: 'The size of this Facebook friend's social network appears to be: 1-Large, 2-Small' and an additional question addressed online social ties: 'You have...online social ties with this Facebook friend: 1-Strong 2-Utilitarian 3-Weak'. A definition of utilitarian ties was included for clarity, and respondents were given an introduction to the theme of the study – Former customers. The experimental manipulations were tested in the pre-test and main study. The results of the  $x^2$  test for network size indicate different answer patterns between manipulations:  $x^2(2) = 44.01$ , p < .001; similarly, for social ties  $x^2(3) = 60.51$ , p < .001. The manipulation checks resulted in dropping 6 participants, leaving 294 participants (n=49 per group).

After reading the scenarios, participants completed a questionnaire comprising items to measure dependent variables (attitude and behavioural intentions), manipulation checks, scenario realism, and demographic items (age and gender). Based on previous research (Cf. Azer & Alexander, 2020b; Menon & Ranaweera, 2018) and the results of Study 1, five

confounding variables were selected: perceived source credibility, perceived source expertise and perceived motives of impression management, emotions regulation and altruistic motives. Tests were undertaken to confirm convergent and discriminant validity. The measures had good reliability and the CFA revealed a good fit ( $\chi^2/df = 2.0$ ; CFI = .96; RMSEA= 0.05) (Hu & Bentler, 1995). All measures displayed factor loadings above the minimum recommended value of .7 (see Appendix B).

#### 4.3 Results

After satisfying the preliminary checks to ensure non-violation of assumptions (Box's test = p > .01, Levene's Test p = .734), a MANOVA was conducted. The results of the MANOVA reveal a significant interaction effect between the factors (Wilk's lambda = .52, F (4, 334) = 32.4, p < .001), which is significant for both attitude and behavioural intentions (p < .001) (see Table 3).

## Please insert Table 3 here

Plots of the interaction effect for each dependent variable (see Figure 2) demonstrate an interaction effect (Hair et al. 2010). Former customers with small networks and strong social ties were shown to exert a much stronger impact than with large networks and strong ties on other actors' attitudes ( $M_{small,strong}$ =6.552,  $M_{large,strong}$ =5.676; p<.001) and behavioural intentions ( $M_{small,strong}$ =5.987,  $M_{large,strong}$ =5.138; p<.001) towards firms. Former customers with large networks and weak ties had the weakest impact on other actors' attitudes and behaviours. Importantly, utilitarian ties, which have been overlooked in prior research, were shown to have a significant impact when accompanied by a large network size on other actors' attitudes ( $M_{large,utilitarian}$ =6.00) and behavioural intentions ( $M_{large,utilitarian}$ =5.762) towards service providers. Post hoc analysis was conducted using Tukey HSD and showed a significant (p<.001) pairwise difference in the mean scores of both attitudes and behaviours on the three

levels of social ties. The MANCOVA results reveal a non-significant effect of all confounding variables.

#### Please insert Figure 2 here

#### 4.4 Discussion

Study 2 tested the impact of former customers in their online social networks, specifically, how former customers' network characteristics moderate their impact. The results show that network size alone is not an accurate identifier of the impact of online users; the type of social tie is also relevant. This study, therefore, extends the extant e-WOM literature that perceived network size as a sole identifier of influential customers (e.g., Freberg et al., 2011; Kumar et al., 2010; Venkatesan, 2017).

Importantly, Study 2 expanded the scope of social ties by introducing and testing the impact of the utilitarian tie, demonstrating the importance of looking beyond the traditional strong-weak tie dichotomy that has dominated the e-WOM literature (De Bruyn & Lilien, 2008; Wang & Chang, 2013) and responding to calls to better understand the complexity of social ties (Menon & Ranaweera, 2018). Finally, with the introduction of utilitarian ties, this study empirically expands the understanding of SET, specifically derived from utilitarian foundations (Blau, 1964; Cook & Rice, 2006).

Building on the results of Studies 1 and 2, Study 3 investigates the varying influence of former customers in terms of the composition of their network, valence of e-WOM and type of offering. It focuses on the combinations of network size and social ties that showed the highest level of influence (i.e., large network and utilitarian ties; small network and strong ties) while controlling for the variables that showed a significant impact; source expertise and impression management motives.

## 5 The Moderating Role of Valence and the Category of Offering

The literature on service marketing has historically argued that services differ from goods, being more heterogeneous, intangible, often inseparable and perishable (Parasuraman,

Zeithaml, & Berry, 1988; Vargo & Lusch, 2017) and carrying higher associated risks (Bansal & Voyer, 2000). Service entails an exchange that does not transfer ownership from the seller to buyer as with goods, but offers benefits to customers through access or temporary possession, rather than ownership, with appropriate payments (Lovelock & Gummesson, 2016). Given the low search attributes of services, evaluating their quality before the experience is challenging (Azer & Alexander, 2020a; Christodoulides et al., 2012). Thus, this study proposes that service-related posts have a stronger influence on recipients than goods-related posts. Negative events have greater potency and dominance than positive events (Rozin & Royzman, 2001) and customers accept negative information more readily than positive information (Azer & Alexander, 2020a). Therefore, since services have higher associated risks, service-related e-WOM may be expected to have a more substantial negative impact.

H<sub>6</sub>: Former customers' impact on other actors' (i) attitudes and (ii) purchase intentions towards products and services they no longer use will be moderated by whether the e-WOM is about 1) goods vs. services and 2) whether the valence of e-WOM is negative or positive; with negative, service-related posts having a stronger impact.

Study 1 shows that former customers tend to share more negative e-WOM about services and more positive e-WOM about goods. Prior research suggests an absolute social influence of networks with strong ties, relating this influence to other actors' tendency to make their beliefs congruent with those of the influencers (Moe & Schweidel, 2012). Accordingly, this study expects an influence of strong ties, albeit not absolute, for two reasons. First, the shared posts are about offerings no longer used; hence, the congruence factor causing this absolute social influence is absent. Second, prior research findings are limited to the influence of strong ties compared to weak ties, with no consideration of utilitarian ties. In contrast, this study expects the influence of former customers with different network compositions (small network and strong ties/large network and utilitarian ties) to be moderated by the category of offering, an area yet unexplored in the literature.

Unlike strong ties, utilitarian ties depend on the relevance of the shared brand-related posts to the receivers' interest in the offering. Actors paired in utilitarian ties are seeking e-WOM about an offering that interests them. When e-WOM information is actively sought, it has a greater influence on the receiver's purchase intentions than if it was not actively sought (Bansal & Voyer, 2000). Services involve greater pre-purchase uncertainty than goods; goods are homogeneous, while services vary in terms of quality output and delivery (Swani & Milne, 2017). As a result, actors may actively seek service-related e-WOM more frequently than goods-related e-WOM on social media because of the specific and complex characteristics of services that make personal recommendations very effective (Sweeney et al., 2020). Since the notion of active information seeking will likely exist more in utilitarian ties than strong ties, a stronger impact of utilitarian ties than strong ties may be expected on other actors' attitudes and purchase intentions when sharing service-related posts.

H<sub>7</sub>: Former customers with large network size and utilitarian ties will have a stronger impact than those with small network size and strong ties on other actors' (i) attitudes and (ii) purchase intentions towards services they no longer use

# 5.1 Design and Procedures (Study 3)

This experiment adopts a 2 (small network strong ties & large network utilitarian ties) x 2 (positive and negative valence) x 2 (service and product offering) factorial design. A sample of 440 participants (females 57.5%, average age = 31.7 years, SD = 1.139) who are frequent users of Facebook (M=3.91, SD=.815) was recruited by Amazon Mechanical Turk (MTurk) in exchange for a modest payment. This online subject pool offers a source of reliable data representative of the general population (Azer & Alexander, 2020a). The respondents were allocated randomly (between-subject) to simulated Facebook pages that showed eight scenarios (see Appendix B). This study will examine different services vs. goods offerings; purchase intentions were considered a dependent variable. Based on the results of Study 1, hygiene products and hospitality services were used as a category of offering. Furthermore,

the reasons for ceasing the relationship were used to design the scenario content, such as 'grown-up babies' for positive valence and 'poor quality of service/product' for negative valence. Scenario realism was also tested using the same items ( $\alpha$ =.897) from Study 2, and the results show that this experiment's scenarios are realistic (M= 5.98, SD= .725).

# 5.1.1 Manipulation Check and Measurements

Respondents were asked the following question to check their understanding of the network characteristic treatments: 'I believe this Facebook friend has a... (a. Large /b. Small) network of friends and the nature of the social ties he/she has with his/her network appears to be... (c. Strong/d. Utilitarian).' To check their understanding of valence, the following question was included: 'The review of the service/product described in this post is ... (a. positive/b. negative)'. Similarly, the following question was posed about the offering: 'This post is about a ... experience (a. goods/b. services)'. The experimental manipulations were tested in the pre-test and the main study. The results of the  $x^2$  test for network structure indicate different answer patterns between manipulations,  $\chi^2(2) = 65.01$ , p < .001; similarly, for valence  $\chi^2(1) = 80.51$ , p < .001 and, finally, for type of offering,  $\chi^2(1) = 50$ , p < .001. The manipulation checks eliminated five participants from each group, leaving 400 participants (N=50/group). After reading the scenarios, the participants completed a questionnaire comprising items measuring attitude, purchase intentions, manipulation checks, scenario realism and demographic items (age and gender) in this order. Tests were undertaken to confirm convergent and discriminant validity. CFA revealed a good fit ( $\chi^2/df = 2.0$ ; CFI = .92; RMSEA= 0.02) (Hu & Bentler, 1995). All measures displayed factor loadings above the minimum recommended value of .7 (see Appendix B).

#### 5.2 Results

The results of the MANOVA reveal the significant main effects for network structures (Wilk's lambda = .98, F(2, 391)=3.001, p < .001), valence (Wilk's lambda = .110, F(2, 391)

=1578.9, p <.001) and offering type (Wilk's lambda = .89, F(2,391)=24.16, p < .001), and a significant interaction effect between the factors (Wilk's lambda = .899, F(2,391)=21.87, p < .001) that is significant for both attitude and purchase intentions of other actors towards service providers and brands (p < .001) (see Table 4). The results reveal that the impact of former customers on other actors' attitudes and purchase intentions towards goods and services will depend on whether the e-WOM concerns goods or services and whether its valence is negative or positive. Moreover, this impact also differs according to the network composition. Former customers with a large network and utilitarian ties continue to recommend products they have stopped buying to others; however, their impact is higher for service offerings than goods. Conversely, former customers with small network and strong ties showed a higher impact when recommending goods than for services. Notably, the mean plots (see Figure 3) show a generally stronger negative impact on both attitudes and purchase intentions for services than products regardless of whether former customers have a large network with utilitarian ties or small networks with strong ties.

# Please insert Table 4 and Figure 3 here

#### 5.3 Discussion

Informed by the results of both Studies 1 and 2, Study 3 tested the impact of former customers on other actors' attitudinal and purchase outcomes in terms of the composition of their network, valence and type of offering. The results of this study contribute to the extant literature, which has focused on either goods or services despite acknowledging the higher associated risk with services compared to goods (Azer & Alexander, 2018; Bansal & Voyer, 2000; Christodoulides et al., 2012). Unlike prior research that focused on the impact of large networks (e.g., Hennig-Thurau et al., 2015; Venkatesan, 2017; Venkatesan et al., 2018), this study provides new insights about small networks when combined with strong ties, a combination overlooked in the e-WOM literature. It also tested a new combination of utilitarian ties and a large network, thereby contributing to the existing e-WOM literature,

which has focused on a simpler and less optimal dichotomy of weak and strong ties. These findings extend the current understanding of SET and its theoretical orientation (Blau, 1964; Cook & Rice, 2006).

#### 6 Conclusions

# 6.1 Theoretical Implications

This research establishes the role of former customers in online social networks, overlooked to date in the literature, and bridges e-WOM and SET research, making several new contributions to the literature. First, it highlights the importance of investigating the role of atypical actors in online social networks. Second, it contributes to e-WOM literature by empirically showing former customers' motives for e-WOM activity. Thirdly, this paper introduces and empirically investigates a new type of social tie (utilitarian ties) in online social platforms. Given that SET is derived from utilitarian foundations (Blau, 1964; Cook & Rice, 2006), the addition of this type of tie to the existing weak—strong dichotomy expands the understanding of SET and, specifically, its application to how various actors share and benefit from information exchanged in social networks. Finally, this study contributes to the existing literature by empirically establishing the role of former customers in sharing e-WOM, previously only suggested as a possibility (Hennig-Thurau et al., 2004) and in influencing firm value (Kumar et al., 2010; Venkatesan, 2017).

The results of Study 1 show that former customers continue to share e-WOM about goods and services they no longer use, more positively about goods and more negatively about services. Importantly, their motives for generating e-WOM differ from those acknowledged in prior literature (Cf., Babić Rosario et al., 2020; Hennig-Thurau et al., 2010; King et al., 2014). The findings of this study show that impression management consistently drives the frequency and valence of e-WOM given by former customers, which resonates with the notion of expected intangible returns of SET (Blau, 1964). In contrast, emotions regulation motives are irrelevant for former customers in sharing e-WOM. The effects of

altruistic motives on the frequency of sharing confirm how helpfulness may remain a strong motive even when the giver is no longer a customer. However, the reason for ending the relationship interacted with altruism in determining the valence of e-WOM. Despite continuing to stay engaged, former customers' altruistic motives can have distinct effects, with some showing impact on the frequency and valence of their e-WOM and some having no effect depending on the reason for ceasing the relationship with the firm. The substantive differences observed between e-WOM on goods and services are also highly noteworthy.

From the e-WOM recipient's perspective, Study 2 shows that the impact of former customers on other actors in their large and small online networks is moderated by three types of social ties: strong, utilitarian and weak. Former customers with small networks and strong social ties have the strongest influence on the attitudes and behavioural intentions of other actors in their network, followed by former customers with large networks and utilitarian ties. These results extend the extant e-WOM literature that perceived network size as the sole identifier of influence (e.g., Freberg et al., 2011; Kumar et al., 2010; Venkatesan, 2017). The results show that the type of online social tie is critical and demonstrate the importance of looking beyond the traditional strong-weak dichotomy in understanding actors' influence. This study thus responds to previous calls in the e-WOM literature for an improved understanding of the complexity of social ties (King et al., 2014; Menon & Ranaweera, 2018).

Elaborating on these results, Study 3 showed the moderating role of e-WOM valence and the type of offering. Although the service literature has emphasised the higher risks associated with services compared to goods (Azer & Alexander, 2018; Bansal & Voyer, 2000), it has not examined the differences in sharing goods-related vs. services-related posts within online social networks. Study 3 extends the existing knowledge with new insights about the impact of former customers with different network compositions (small network

and strong ties/large network and utilitarian ties) moderated by the category of offering and the valence of e-WOM.

The results suggest that former customers with large networks and utilitarian ties have a stronger impact on their networks when they share positive or negative e-WOM about services they have ceased to use. In contrast, former customers with small networks and strong ties have a stronger impact on their networks when they share positive or negative e-WOM about goods they no longer use. The study results also show a more substantial negative impact on both attitudes and purchase intentions regarding services than goods, regardless of the network characteristics. Overall, the three studies demonstrate the direct impact of former customers on other actors in their online social networks and, consequently, their potential indirect benefit to firms.

#### 6.2 Management Implications

Former customers continue to impact attitudes and purchase intentions of other actors in their online social networks. This study therefore recommends that managers shift their focus from dyadic firm—customer relationships and embrace network relationships with diverse actors. Past research shows higher net return on investment (214%) potential of winning back former customers compared to new customers (23%) (Kumar et al., 2015). Current study offers further evidence of the value of former customers in sharing e-WOM about products and services they no longer use. It is therefore recommended that managers do not neglect or underestimate the influence of former customers. If they are correctly targeted, they may increase the firm's total engagement value.

In the current study, former customers were identified based on the way customers perceived themselves; as former customers. This approach in the study design does not mean that firms are unaware of the status of their customers. In subscription services, which are a major part of services, customers status is always known; ending of a contract means ceasing the relationship. In other situations, such as retailing, it requires more sophisticated

approaches such as the RFM (Recency, Frequency, Monetary value) framework to predict the likelihood of ceasing a relationship with a firm. Firms constantly make marketing decisions based on such predictions. In many industries customer status is either known or is predictable. Where known, former customers can be targeted directly, taking into consideration the composition of their social networks. There will be contexts where customer status (former vs. current) is neither known nor accurately predictable. Future research can thus investigate more novel means of identifying customer status.

Firstly, this research showed that former customers' motives for e-WOM generation differ. As such, they need a range of approaches as potential influencers. It is important to recognise that emotions regulation motives are no longer critical for former customers; thus, they require a distinct approach from current customers, for whom emotions regulation needs are highly salient. If firms aim to 'prompt' former customers to give e-WOM, they need to use strategies that trigger impression management. Altruistic motives continue to impact the valence of e-WOM, albeit only in combination with the reason for ceasing the relationship. This has important implications for management. Firms need to understand why customers ceased the relationship because this determines both the generation of positive and negative e-WOM among those who have high altruistic motives. For subscription type services, exit interviews or other means of obtaining feedback from former customers can help enhance positive e-WOM and diminish negative e-WOM.

Secondly, this research also helps identify the prompts that trigger former customers to talk about goods and services even after ceasing the business relationship. These prompts could arise from a personal encounter, such as coming across old packaging, seeing a picture of a restaurant they once visited, an action by a friend. The prompt can also be an action by the supplier of the service or goods. While personal encounters are beyond the control of managers, this is not the case for supplier actions. For instance, when former customers see

an advertisement or promotion for a product or service they no longer use, this may prompt them to generate positive e-WOM even though they have no intention of buying that product or service again. Accordingly, firms should use their social media campaigns to prompt former customers into positive engagement behaviours. However, such prompts may also trigger former customers to engage in negative e-WOM. The company should address these concerns via social media campaigns for former customers and use their feedback to improve its service or offerings. For example, managers could employ social media campaigns to promote recent improvements in service quality, technology, variety of options or pricing. While sub-optimal, even where a firm cannot accurately identify or predict the status of a customer, a firm may still target customers online effectively via mass communication strategies to bring positive results. Firms can continue to send prompts so that all customers notice the prompts, while only former customers may be effectively primed to generate e-WOM.

Finally, the results also provide clear guidance to managers with respect to optimal criteria for the firm in terms of e-WOM sharing; specifically, network composition (size and type of ties), valence (positive and negative e-WOM) and type of offering (goods and services). It is recommended that *product* managers focus on former customers with small networks and strong ties because they continue to recommend goods to other actors in their network. Conversely, *services* managers should focus on former customers with large networks and utilitarian ties as their impact is higher for service offerings than for goods. Given that former customers' influence on other actors differs based on a combination of their network size and the type of ties, this requires the development of new processes. For instance, practitioners could implement tracking systems to monitor former customers' social relationships through unstructured social media data to better understand online social ties. In

addition, new metrics need to be developed to identify utilitarian ties that existing metrics (such as the number of 'likes' and/or 'comments') are unable to capture.

#### 6.3 Limitations and Future Research

Despite the contributions discussed above, the limitations of this study offer the potential for future research in this area. Facebook was selected as the context for this study due to its appropriateness in terms of scope and influence. Future research could replicate this study using other social media platforms. This study did not examine the impact of lapse of time from when customers ceased the relationship, this may prove a fruitful avenue for research. The codes for reasons for ceasing to use offerings were categorised according to the responses of the survey participants as firm-related or former customer-related; future research could elaborate using the reasons revealed in Study 1 to examine how these reasons may affect the actions of former customers towards firms and other actors in their networks. This study conducted a detailed analysis of individual moderating effects and considered the entire model in combination using a stepwise approach in regression. Future research could treat the motives individually through experimental manipulation to test their unique effects and enable the individual effects to be isolated.

The findings helped establish that former customers continue to have an influence on other actors in their networks. Future research could build on that to further investigate other actors' perceptions of the credibility of former customers. Importantly, future research may use the strong influence of former customers empirically established in this paper and further investigate former customers' engagement value using firm-level data such as sales arising out of former customer activity. These results can help to identify the relationship between former customers' influencer, referral, knowledge, and lifetime value. Finally, as noted earlier, future research can also investigate ways in which customer status can be accurately predicted in industries where doing so is currently difficult.

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	Percentage	Exemplars
	occurrence in data	
		gage in e-WOM
Impression Management	33.5%	'To look cool in the eyes of others'
Altruistic Motives	36%	'I want my friends to <b>benefit and help</b> them make better decisions.'
Emotions Regulation	2%	'To <b>vent</b> negative <b>feelings</b> '
	Prompts/	reminders
Personal Experience	5%	'I wrote <b>when</b> I came across <b>empty boxes</b> of the product while cleaning up'
Action by Facebook Friends	16%	'I do when I am asked by my friends for my view about that product I used to buy'
Actions by the firm	7%	'I sometimes do when I see Facebook ads about this product that reminds me of it'.
	Reasons for ceasing	the firm relationship
	Firm-	related
Poor product/service quality/maintenance	15.5%	'Quality of the product is decreasing steadily'
Poor value for money	15%	'Not satisfied with value for money and overall experience'
Bad Customer Service	14.5%	'The service is lame and the customer support is useless. The staff knows nothing about good customer service'
Unreliability	12%	'Unreliable service, always having problems with connections'
Better Competitor	10%	'Competitors offer a better service, better offerings, and for better prices'
Deception	8.5%	'They deceive customers by giving them fake offers and when this offer is over, they're paying a fortune for the subscription'.
	Former custo	omers-related
Home move	9%	'I moved to London, and I no longer can go there'
Grown-up babies	5%	'I used these products with my babies who are now getting older, but I recommend them to my friends who have new babies'
Financial issues/ change in income	4%	'Financial problems, I cannot afford it anymore.'
Change in life commitments	3.5%	'Due to work and school commitments. I had to stop the subscription'.
Health issues	2%	'I had to stop because of <b>health problems</b> I became intolerant to certain foods & ingredients'

Table 1: Qualitative results of open-ended questions – Study 1

**Table 2: Regression Models - Study 1** 

Predictors	Frequency of	Negative	e-WOM	Positive e-WOM			
	sharing e- WOM	Model 1	Model 2	Model 1	Model 2		
	β(t)	β(t)	β(t)	β(t)	β(t)		
Emotions							
Regulation	0.01(0.12)	-0.10(-1.29)	-0.09(-1.19)	0.08(1.08)	0.07(0.98)		
Altruistic Motives	$0.14(1.65)_{\dagger}$	-0.01(-0.11)	-1.02(-2.80)**	0.03(0.38)	0.99(2.79)**		
Impression							
Management	-0.18(-2.61)**	-0.18(-3.04)**	-0.18(-3.10)**	0.19(3.30)**	0.18(3.36)**		
Reason for ceasing							
relationship							
(Reason)							
(Dissat/Other: 1/0)	-0.03(47)	0.61(10.59)**	0.61(10.62)**	-0.63(-11.09)**	-0.62(-11.12)**		
Alt X Reason			1.02(2.85)**		-0.96(-2.77)**		
Category (Goods/							
Service 1/0)	-0.01(12)	-0.10(-1.65) <sub>†</sub>	-0.12(-1.96)*	0.15(2.56)*	-0.13(-2.07)*		
Expertise	0.16(2.04)*	0.18(2.71)**	0.18(2.93)**	-0.12(-1.87)	0.16(2.85)**		
Adjusted R <sup>2</sup>	0.09	.378	.401	.402	.422		

Standardised estimates are reported; t-values in parentheses; all significance tests are two-tailed.

 $\dagger p < 0.10, *p < 0.05; **p < 0.01$ 

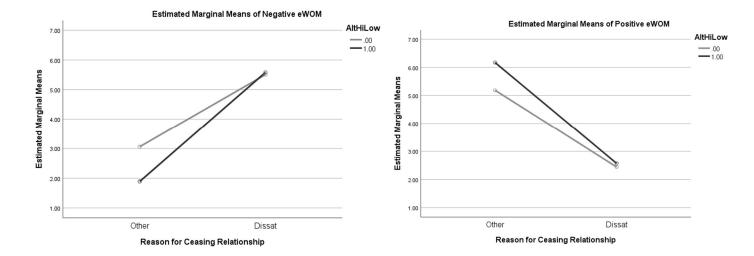


Figure 1: Interaction effect of Reasons for ceasing the relationship and Altruistic Motives – Study 1

Attitudes	Network Size	Online Social Ties	Means		
		Strong	5.676		
	Large	Utilitarian	6.000		
		Weak 2.1			
		Strong	6.552		
	Small	Utilitarian	5.017		
		Weak	1.966		
Behavioural Intentions		Strong	5.138		
	Large	Utilitarian	5.762		
		Weak	1.207		
		Strong	5.987		
	Small	Utilitarian	2.149		
		Weak	1.402		

Table 3: Means of significant interaction effect on dependent variables (Study 2) - P<.001

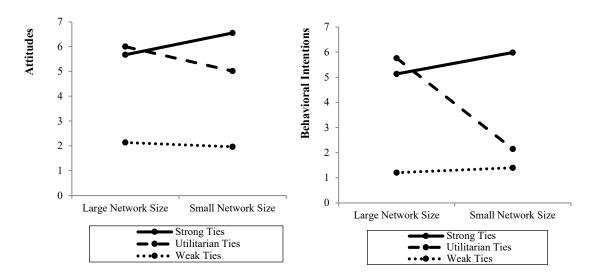


Figure 2: Interaction effect for dependent variables – Study 2

	Network/Ties	Valence	Offering	Means
		Positive	Services	6.02
	Large Network Utilitarian Ties	Positive	Goods	5.05
A		Nagativa	Services	1.27
Attitudes		Negative	Goods	2.30
		Positive	Services	5.10
	Small Network Strong Ties	Positive	Goods	5.85
		NI (	Services	1.75
		Negative	Goods	1.96
Purchase Intentions	Large Network Utilitarian Ties	Positive	Services	5.80
		Positive	Goods	5.75
		N	Services	1.11
		Negative	Goods	2.15
	Small Network Strong Ties	Positive	Services	4.86
		Positive	Goods	5.95
		Nagativa	Services	1.76
		Negative	Goods	1.85

Table 4: Means of significant interaction effect on dependent variables (Study 3) - P<.001

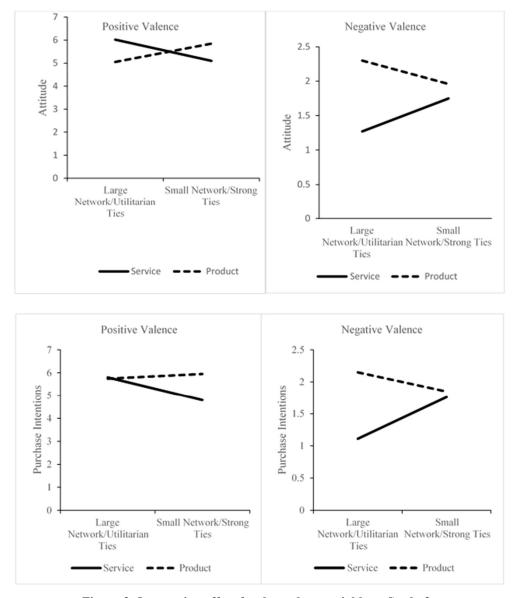


Figure 3: Interaction effect for dependent variables – Study 3

# Appendix A

Table A.1: Items and Reliability (Study 1)

Constructs and Items	Loading <sup>1</sup>
Frequency of e-WOM (Kumar & Pansari, 2016)	
CR=.95; α=.92 I frequently share posts about such products/services on Facebook even though I am no longer a customer	.91
I frequently share posts about such products/services on Facebook even though I am no longer a customer	.91
I frequently mention such products/services in my conversations with Facebook friends even though I am no longer a customer	.92 .90
I love talking frequently about my service/product experience with them even though I am no longer a customer	
I frequently discuss the benefits (losses) I got from such products or services with Facebook friends even though I am no longer a customer	
Likelihood of posting positive e-WOM (Kumar & Pansari, 2016) CR=.95; α=.92	
I mostly say positive things about such products or services during my conversations with Facebook friends	.91 .93
I mostly share positive posts about such products or services on Facebook	
Likelihood of posting negative e-WOM (Kumar & Pansari, 2016)	
CR=.96; $\alpha$ =.92 I mostly say negative things about such products or services during my conversations with Facebook friends	.91 .92
I mostry say negative things about such products of services during my conversations with Facebook mends	.92
I mostly share negative posts about such products or services on Facebook	
Emotions Management Motives (Sen & Lerman, 2007)	0.4
CR=.92; α=.83	.91 .90
I post this information to continue expressing my emotions about the experiences I had	.50
My posts reflect how I feel about this product/service	
Altruistic Motives (Sen & Lerman, 2007)	
CR=.93; α=.87	
My brand-related posts help my Facebook friends with their purchase decisions	.88
I want others to benefit from my experience	.90
Impression management motives (sen and Lerman 2007)	
	.90
CR=.90; $\alpha$ =.91 Through my posts, I want to impress others with the experiences I have had	.82 .91
Through my posts, I want to show my knowledge to others	
Through my posts, I want to impress others about the services/products I could afford	
Poster expertise motives	
My posts are based on my expertise	.88

Note. <sup>a</sup>All items were anchored on 7-point strongly disagree/strongly agree Likert-type scale. <sup>b</sup>Anchored on a 5-point none/most. <sup>1</sup> Standardised Loadings: all loadings were significant at p < .001.

#### **APPENDIX B**

Table B.1: Examples of Study 2 Scenarios

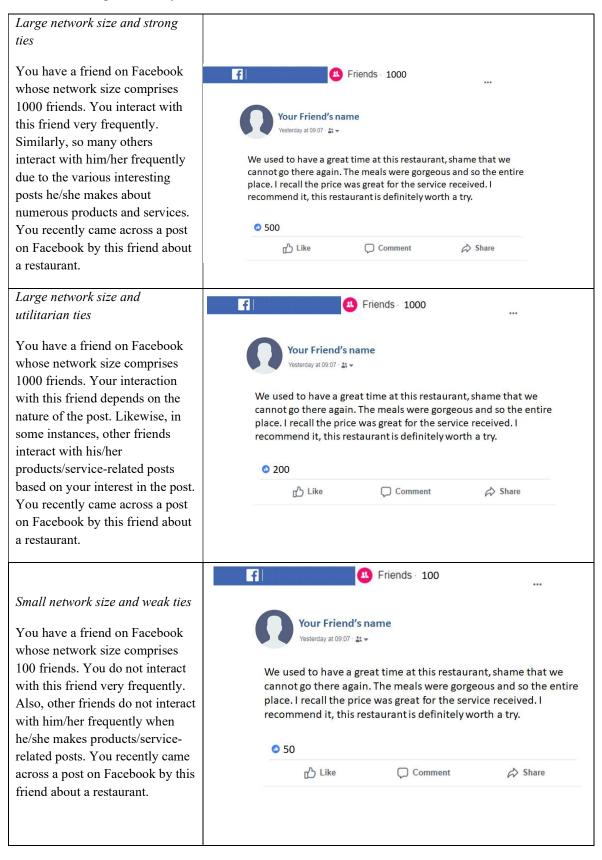


Table B.2: Items and Measurements – Studies 2 & 3

Constructs and Items		Factors Loading¹/α/ CR				
		Study 2		S	Study 3	
		α	CR		α	CR
Attitude (Bansal & Taylor, 1999; Cronin & Taylor, 1992; Putrevu & Lord, 1994)  My overall feeling about this restaurant can be best described as (V. Unfavourable / V. favourable)  I think this restaurant is (Very Poor / Excellent)  The decision to go to this restaurant is considered a good one (Strongly Disagree / Strongly Agree)	.95 .95 .94	.97	.95	.96 .90 .91	.98	.95
Behavioural Intentions (Gelbrich, 2010; Park, Robertson, & Wu, 2004)  I would share this post with others  I would recommend this restaurant to other people  I would tell other people good things about this restaurant if asked	.89 .89 .80	.98	.95	-	-	-
Purchase Intentions (Coyle & Thorson, 2001) It is very likely that I will buy/use this product/service I will purchase this product/service next time I need one I will definitely try this product/service I will recommend my friends to buy this product/service when asked	-	-		.94 .89 .91 .95	.99	.93
Perceived Source Credibility (Qiu, Pang, & Lim, 2012) In general, I think my Facebook friend is trustworthy In general, I think my Facebook friend is knowledgeable In general, I think my Facebook friend is credible	.97 .94 .91	.96	.95	-	-	-
Attributed Source Emotions (Sen & Lerman, 2007) I think my FB friends' service or product-related posts reflect how they feel about this product or service I think my FB friend's motive seems to be to express his/her emotions about the service or product experience	.97	.93	.92	-	-	-
Perceived Source Altruism (Sen & Lerman, 2007) The motive of my FB friend's service or product-related posts is to inform others about this product or service I think my Facebook friend wants others to benefit from their experience	.97 .91	.86	.92	-	-	-
Perceived Source Expertise (Lim & Chung, 2014)  I think my Facebook friend's service/product-related posts are based on his/her expertise  I think my Facebook friend can accurately evaluate the quality of the service/product he/she posts about  I think my Facebook friend is capable of giving accurate information about the various attributes of the service/product he/she posts about	.83 .93 .81	.80	.92	.75 .86 .82	.77	.92
Perceived source Impression (Sen & Lerman, 2007) By posting on Facebook, I think my friend wants to impress others about the experience he/she had By posting on Facebook, I think my friend wants to impress others about the services/products he/she can afford	.83 .93	.89	.95	.96 .90	.94	.92
Scenario Realism (Gelbrich, Gäthke, & Grégoire, 2015)  I believe that such scenarios are likely to happen in real life  I think the description of the situation is realistic  I was able to adopt the role of the Facebook friend	.95 .95 .90	.93	.90	.85 .91 .87	.88	.95

Note. <sup>a</sup>7-point definitely will not/definitely will Likert scale, with exception of Attitude, which was a 7-point Likert scale labelled as shown. <sup>b</sup>All items were anchored on 7-point strongly disagree/strongly agree Likert-type scale. <sup>1</sup> Standardised Loadings: all loadings were significant at p < .001.

Table B.3: Examples of Study 3 Scenarios

