Social Networks and Customer Relationship Development at the Saudi Telecommunication Service Providers

Mahmoud Abdel Hamid Saleh^1

^1 Department of Marketing, College of Business Administration, King Saud University, Saudi Arabia

Correspondence: Mahmoud Abdel Hamid Saleh, Department of Marketing, College of Business Administration, King Saud University, Riyadh, Saudi Arabia. Tel: 966-59-646-2433. E-mail: mhamid40@hotmail.com or mahsaleh@ksu.edu.sa

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Abstract

This paper is aimed at examining the relationship between the use of social networks and customer relationship development at the three telecommunication service providers in Saudi Arabia. It is also aimed at identifying some factors that may influence the companies’ relationships with their customers. Drawing on previous research, the researcher has selected three factors related to customers on social networks: trust and loyalty, service assessment, and information engagement. The study revealed a strong association of the use of social networks with the company’s customer relationship development, trust and loyalty, and service assessment, but not with information engagement. The findings also demonstrated significant positive associations of trust and loyalty, and service assessment with customer relationship development. However, an insignificant positive relationship was found between information engagement and customer relationship development. To leverage the effectiveness of customer relationship management at telecommunication companies in Saudi Arabia, the study recommended these companies to adopt the concept of Social Customer Relationship Management (Social CRM), and to develop customer service skills of their staff in charge of social networks. The study also pointed out the importance of encouraging customers to use social networks to connect with companies, rather than just using the traditional methods. Furthermore, the study recommended the companies to pay more attention to the customers’ assessment of their social networks, and to ensure security and privacy of their data. Ultimately, the companies need to focus on providing customers with the needed information, and benefiting from their feedbacks on social networking sites.

Keywords: social networks, customer relationship, trust, loyalty, information, service, telecommunication

1. Introduction

In recent years, social media has become one of the most important new marketing phenomena. It plays a big role in the companies’ communications with their customers, especially with the remarkable growth of Internet users and social media sites. The growth of social media has emerged many questions related to the marketing impact of the use of social media in developing the company’s customer relationships. In many previous researches, social media was proved to be effective in predicting e-purchase or anticipating customers’ needs from the companies. However, until now, the role of social media on customer relationships was not well understood in Saudi Arabia, specifically at the telecommunication service industry. This is because of the lack of the previous research on the Saudi Arabian environment, in spite of the expansion of telecommunication services in the Saudi society. This is evidenced by the number of subscribers to mobile services in Saudi Arabia which amounted to about 52 million by the end of the first quarter of the year 2013 (Communications and Information Technology Commission, 2014).

Ang (2011) described the marketing role of social networks as “a game changer” to the extended social media use by consumers. However, because customer relationship marketing is one of the main elements of the e-commerce environment as well as in traditional business, this research is aimed at identifying the marketing effects of the three social networks (Facebook, Twitter, and YouTube) used by the three existing telecommunication service providers in Saudi Arabia: STC, Zain, and Mobily. In particular, the study is aimed at exploring the relationship between the Saudi telecommunication companies’ usage of the social networks and their customer relationship development. Furthermore, the study is aimed at proposing a number of
recommendations that could contribute to the development of the use of social networks by the Saudi telecommunication service providers, and to strengthen its position as a marketing tool in business environment and customer relationship management.

2. Literature Review and Research Hypotheses

The revolution brought about in social media is considered a remarkable change in the Internet avenue, where knowledge-sharing tools took new forms and produced a variety of techniques that contributed to the change of the individual lifestyle and the way people handle events in general. Just as companies and other institutions have been proactive in putting one’s foot in the Internet arena through traditional websites, they also use social networks to maintain their companies’ positions in the markets, and to be close to their customers on the Internet. According to the literature of business, the organization relationships with customers are related to three main concepts: information strategy that reflects the customer information engagement, feel and service which reflect customer service assessment, and customer trust and loyalty (Wang & Abdullayeva, 2011). The following review is the most important literature that investigated the associations of the company’s use of social media within formation engagement, service assessment, and trust and loyalty, as well as the associations of the use of social media and the three other variables with the company’s customer relationship development.

2.1 Social Networks and Customer Relationship Development

Companies’ relationships through their direct contact with customers are considered a tool that must be managed well, both in industrial or service organizations. This tool is called: Customer Relationship Management (CRM). The CRM is defined as “a business philosophy that touches upon independent parts of the organization” (Lang et al., 2002). It works to improve and increase customer satisfaction. Hence, organizations must follow the business model that focuses on the customer; sticking to the contemporary concept of marketing so that the satisfaction of customer needs be at the top of the organization’s priorities (Wang & Abdullayev, 2011). Accordingly, all the company departments should seek to serve the customer at first place, since customer satisfaction is the objective of all decisions.

Singh et al. (2008) pointed out that the new technology, including social networks, had contributed to the improvement of the company’s customer relationships. Social media allows companies to do a continuous interaction with their customers (Lea, 2012). They enhance the company’s ability to conduct dialogue with customers (Goldman, 2011; Baird & Parasnis, 2011). In this vein, a number of researchers have studied the relationship between the use of social networking sites and the development of customer relationships. Ahmed & Zahid (2014) concluded no significant association between the uses of social media in marketing with the company’s customer relationships. However, Wang & Abdullayev (2011) found an insignificant positive association between the two variables. Treadaway & Smith (2010) concluded that marketers consider social media an important tool to reach new customers and to form a broad base to market the company’s products in future. Others see that the business usage of social media offers great opportunities for the development of products and increase the efficiency of the company’s business. They appreciate the social media’s role that enables companies to talk to their customers and to give them the opportunity to talk to each other (Mangold & Faulds, 2009). At the same line, Hu (2013) proved a strong association between the organization’s use of social media with the customer value and service quality, and how this is related to the management of customer relationships. Social media add values and deliver superior customer service experience; strengthening the company’s customer relationships (Hu, 2013).

Along those lines, Wigmoand Wikstorm (2010) concluded that social media could be used in brand development and customer relationships, and as a tool of communication between the customer and the company. Companies that use social media in communications can attract new customers and strengthen relationships with their existing customers (Treadaway & Smith, 2010). Srisawas & Rotchanakitumnuai (2011) found that page design, interaction, content, and knowledge sharing in social networks have a positive impact on the company’s customer relationships. The strength of the relationships between customers and organizations depends largely on how the organizations manage social networks with customers. Availability of social networks provides the organization a potential value to enhanceits relationships with customers (Abedniya & Mahmouei, 2010; Foster et al., 2010). In sum, usage of social networking sites is considered a new marketing opportunity that can be used to strengthen the relationship between organizations and their customers (Foster et al., 2010).

Based on the above previous research review, the following hypothesis is proposed:

H1: Usage of social networks has a significant positive association with the customer relationship development.
2.2 Social Networks and Customer Trust and Loyalty

Because trust produces loyalty, trust is a vital factor in the relationship between the organization and its customer. The notion that older customers are easier to be retained than to attract new customers requires positive relationships between companies and their customers, especially in the e-business arena (Osterwalder & Pigneur, 2002). Companies in e-commerce are characterized by a high level of risk and uncertainty (Wang & Tong, 2010). Accordingly, trust is an important success factor in the electronic link with the customer (Dwyer et al., 2007; Coppola et al., 2004). In this regard, Al-Omari & Al-Omari (2006) pointed out that trust is the fundamental requirement for building new relationships in e-commerce. They also disclosed a misunderstanding in connecting trust to security requirements, because business trust includes both technical risks and the risks that related to the transactions via the Internet. All problems should be overcome. Accordingly, sufficient trust lays a foundation for building strong customer relationships and to deliver the value customers want (Al-Omari & Al-Omari, 2006).

Many researchers studied the relationship between the use of social networking sites and customer trust. Wang & Abdullayev (2011) concluded a significant positive association between them. Nadeem (2012) also concluded that customers who communicate with their companies on social media is more loyal to the company. Laroche et al. (2012) pointed out that using social media positively affects trust and brand loyalty. In the same line, Barry et al. (2012) and Nadeem (2012) found customers who communicate with companies via social media as the most loyal and most spending. Accordingly, companies that want to gain the trust and loyalty of their customer should work to know how to make advantages of social media (Delaney, 2011).

Correspondingly, some researchers believe that social media is the best and the easiest direct way to share information about brands, products and companies with customers. Thus, social media is considered an important marketing tool to increase customer loyalty (Lindsey, 2012). This loyalty is not achieved by just ads on social networking sites, but by building good relationships with customers; listening to them, following-up their comments, and responding to their criticism. This is the type of communication that contributes to building trust and relationships that enhance customer’s brand loyalty (Chapman, 2008). In this regard, some studies have concluded a direct positive association of the use of social communication with trust, and between Trust and customer retention (Mantymaki & Salo, 2010; Ab Hamid et al., 2013). Taking into account that trust and loyalty are components of customer relationship management, it is important that companies take care of the social networking sites in terms of their impacts on building customer trust and loyalty (Osterwalder & Pigneur, 2002).

Based on the above previous research review, the following hypotheses are proposed:

H2: Usage of social networks has a significant positive association with the customer trust and loyalty.

H3: Trust and loyalty have a statistical positive association with customer relationship development.

2.3 Social Networks and Service Assessment

Social media is an outcome of globalization and the openness of telecommunication industry (Singh et al., 2008). Due to the nature of the electronic market, it is difficult for sellers to feel customers, where vendors and customers are communicating with each other through the computer and the Internet (Wang & Tong, 2010). At present, the social media has become part of people’s lives. People use social media to communicate with their friends, meet new people, enjoy, and share information (Wang & Abdullayeva, 2011). However, feel and serve of customers are represented in all channels between the company and its customers, which can be expanded through the use of social media. The current study considers the company’s customer assessment as an equivalent concept to customer feel and serve. Customer assessment in the current study reflects consumers’ assessment to which extent companies feel and serve the customers when providing them with communication services.

A number of researchers has studied the relationship between the use of social networking sites and a feel and serve. Wang & Abdullayev (2011) found a negative association between them. But, because marketers consider social media an important tool to improve their relationships with customers (Treadaway & Smith, 2010), social media offers great opportunities for the development of products to meet customer needs and wants. However, Schaap (2012) proved no possible association of social media metrics (number of followers and likes) and customer satisfaction that reflects the customer’s feel and serve assessment. Wang & Abdullayev (2011) concluded an inverse association of the usage of social networks and feel and service. On the contrary, a strong association has been found of the usage of social networks with the customer assessment of value and the quality of service (Hu, 2013). Using social media adds value to the customer, and improves the quality and speed of
service. But, because feel and serve are components of customer relationship management, it is important that companies take care of the social networking sites in terms of their impact on the customers' feel and serve assessment (Osterwalder & Pigneur customers, 2002).

Based on the above previous research review, the following hypotheses are proposed:

H4: Usage of social networks has a significant positive association with service assessment.

H5: Service assessment has a statistical positive association with customer relationship development.

2.4 Social Networks and Information Engagement

Organizations need effective information strategies of customer information engagement. With the noticeable improvement in social media communication, more attention has been paid to the impact of social media on the customer information engagement. Using the Internet, consumers can access freely to basic information on commodities and easily communicate the companies they are dealing with (Wang & Tong, 2010). Customers feel more comfortable to be engaged and to express their point of views through social media than conventional communication media (Singh et al., 2008). Social media sites are more usable by consumers because it contains non-commercial content. It gives more details and reviews about the final consumer's experience with products (Yoo & Gretzel, 2011). Social media is a good place for customers to share information related to the products and to compare different products. In addition, it provides an alternative environment for customers to send feedback information to the company regarding the marketing elements. The company can collect and analyze the feedback information in an attempt to understand the consumers (Singh et al., 2008), and then benefit from this information when developing their marketing strategies.

Marketers consider social media an important tool to develop databases that help them to market the company’s products in the future, and therefore offer great opportunities for the development of products and increases the efficiency of the company’s business (Treadaway & Smith, 2010). The information obtained by the companies on consumer’s attitudes and behavior benefit the companies at all stages of the customer’s value-creation process (Woodkock et al., 2011). On the other hand, users are interested in social media to share information about products and services, while they feel weary of ads and offers from companies. They find these sites a good tool when they share product information or write a product review. Therefore, it is proposed that companies support their information to customers through the effective use of social networking sites (Erat et al., 2006). On the contrary, Wang & Abdullayev (2011) concluded an inverse relationship between social media communication and information engagement of the company. But, because the information engagement is one of the components of managing relationships with customers (Osterwalder & Pigneur, 2002), it is important that companies take care of the social networking sites when setting the company’s information engagement strategy.

Based on the above previous research review, the following hypotheses are proposed:

H6: Usage of social networks has a significant positive association with information engagement.

H7: Information engagement has a statistical positive association with customer relationship development.

3. Research Methodology

Because this research is used for describing the market dimensions of telecommunication business in Saudi Arabia, the research was planned to be a descriptive research. A quantitative survey method using a self-administered questionnaire has been adopted for data collection on the research constructs.

3.1 Measurement Scales

The measurement scales used in this research have been developed based on a review of the literature. The study constructs are as follows: usage of social networks, customer relationship development, trust and loyalty, service assessment, and information engagement. The scale of Ahmed & Zahid (2014) has been used to measure usage of social networks construct. All other constructs have been measured using scales by Wang & Abdullayeva (2011). The constructs were operationalized using multi-item scales of a 5-point Likert type. An Arabic version of the survey has been used for collecting data. Content validity has been done, using some academic reviewers and a few numbers of consumers. Accordingly, some items paraphrases have been done in order to match the scope of the study and at the same time be easier for respondents to answer.

3.2 Research Sample

The study population is the customers who use services of one of the three communication providers in Saudi Arabia. A convenience sample of customers has been taken because of the difficulty to obtain a probability sample. A snowball sampling method has been used through an online survey. The characteristics of a total of
474 valid questionnaires are shown in table 1. The table shows frequencies and percentages of study sample characteristics, telecom service provider, gender, age, education, and nationality. A percentage of 65% of the sample are consumers of STC, 29% of Mobily, and 6% of Zain. Male customers represent 85%, whereas female customers represent 15%. Customers whose ages are from 20 to 29 years old represent 46%, whose ages are from 30 to 39 represent 36%, meaning that customers whose ages from 20 to 39 years old represent 82% of the sample. Regarding education, the consumers with bachelor degree represent 63%. However, Saudi consumers represent 94% of the study sample.

Table 1. Characteristics of the sample

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Frequencies</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom service provider</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STC</td>
<td>308</td>
<td>65</td>
</tr>
<tr>
<td>Mobily</td>
<td>136</td>
<td>29</td>
</tr>
<tr>
<td>Zain</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>474</td>
<td>100</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>402</td>
<td>85</td>
</tr>
<tr>
<td>Female</td>
<td>72</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>474</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 20</td>
<td>23</td>
<td>5</td>
</tr>
<tr>
<td>20-29</td>
<td>215</td>
<td>46</td>
</tr>
<tr>
<td>30-39</td>
<td>171</td>
<td>36</td>
</tr>
<tr>
<td>40-50</td>
<td>49</td>
<td>10</td>
</tr>
<tr>
<td>More than 50</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>474</td>
<td>100</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diploma and high school or less</td>
<td>82</td>
<td>17</td>
</tr>
<tr>
<td>Bachelor</td>
<td>298</td>
<td>63</td>
</tr>
<tr>
<td>Postgraduate studies</td>
<td>94</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>474</td>
<td>100</td>
</tr>
<tr>
<td>Nationality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi</td>
<td>445</td>
<td>94</td>
</tr>
<tr>
<td>Non-Saudi</td>
<td>29</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>474</td>
<td>100</td>
</tr>
</tbody>
</table>

3.3 Adequacy of Study Sample

Data analysis showed the results of the KMO measure as 0.791, which is acceptable for further analysis. Bartlett’s test revealed significance at a level of 0.000. These two tests reflect that the study sample is adequate for further analysis, starting with factor analysis for construct validity testing of the measurement scales.

3.4 Validity and Reliability Testing

Factor analysis has been used to identify the validity of each variable’s related items as shown in table 2, using SPSS 21. Exploratory Factor Analysis (EFA) was conducted, using the principal component method and Varimax rotation. The factor loading of all the items of the measures exceeded the threshold of 0.6 (Hair et al., 2006). On the same line, the Average Variance Extracted (AVE) of the mentioned factors exceeded the acceptable threshold of 0.5 (Hair et al., 2006). The Composite Reliabilities (CR) of the factors are higher than the acceptable 0.7 threshold (Hair et al., 2006). The Cronbach’s Alpha coefficients are also above the acceptable threshold of 0.6 (Malhotra, 2007). All these indices reflect valid and reliable scales of the current study.

Table 2. Validity and reliability testing

<table>
<thead>
<tr>
<th>Measurement Items</th>
<th>Factor Loading</th>
<th>AVE</th>
<th>CR</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Usage of social networks</strong></td>
<td></td>
<td>0.62</td>
<td>0.84</td>
<td>0.79</td>
</tr>
<tr>
<td>I like to use social media to increase my knowledge about the telecom service I use</td>
<td>0.840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with the social media marketing of telecom services.</td>
<td>0.760</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The social media marketing of telecom providers is very attractive.</td>
<td>0.720</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The feedback on social media (of telecom services) by other users meets my expectations.</td>
<td>0.830</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Information engagement</strong></td>
<td></td>
<td>0.58</td>
<td>0.85</td>
<td>0.84</td>
</tr>
<tr>
<td>Social media is the main resource which made me aware about the telecom service I use</td>
<td>0.753</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like to participate in social networks discussions about the telecom service I use</td>
<td>0.854</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On social networks I am more likely to recommend the telecom service I use</td>
<td>0.771</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to share the experience of the telecom service I use by others on social networks</td>
<td>0.672</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.5 Testing of Hypotheses

For testing the research hypotheses, the researcher used the Structural Equation Modeling (SEM) to test the relationships between the independent and dependent variables. Data analysis was conducted in Amos 21. Confirmatory Factor Analysis (CFA) was used to assess the study’s overall model fit and to test the study hypotheses. Values of GFI (0.962), AGFI (0.930), TLI (0.975), CFI (0.985), and IFI (0.985) indices exceeded the acceptable threshold level of 0.90. In addition, RMSEA coefficient (0.052) exceeded the acceptable threshold of 0.05-0.08 (Hair et al. 2006). All these values confirm a good fit of the study model, thereby, hypotheses testings were done and the results are shown in table (3).

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Paths</th>
<th>Direction</th>
<th>Estimates</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Usage of social networks ---&gt; Customer relationship development</td>
<td>+</td>
<td>0.608***</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Usage of social networks ---&gt; Trust and loyalty</td>
<td>+</td>
<td>0.057**</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Trust and loyalty ---&gt; Customer relationship development</td>
<td>+</td>
<td>0.073**</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Usage of social networks ---&gt; service assessment</td>
<td>+</td>
<td>0.063**</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>Service assessment ---&gt; Customer relationship development</td>
<td>+</td>
<td>0.193**</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>Usage of social networks ---&gt; Information engagement</td>
<td>+</td>
<td>0.036</td>
<td>Not supported</td>
</tr>
<tr>
<td>H7</td>
<td>Information engagement ---&gt; Customer relationship development</td>
<td>+</td>
<td>0.004</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

Note: ** P<0.05; *** P<0.001.

Table 3 demonstrates only five significant positive associations, out of seven. Thus, the hypotheses of H1, H2, H3, H4, and H5 are upheld. The strongest association was found between the usage of social networks and customer relationship development (β=0.61, P< 0.001), supporting H1. This means that the company’s usage of social networks in communications is the strongest predictors of customer relationship development. The second and third predictors of customer relationship development are service assessment (β=0.193, P<0.05), and trust and loyalty (β=0.073, P<0.05), supporting H5 and H3 respectively. However, an insignificant association has been found of information engagement with the customer relationship development (β=0.004, P>0.05). Thus, H7 is not upheld. Furthermore, a significant associations of social network usage with both trust and loyalty (β=0.057, P<0.05) and service assessment (β=0.063, P<0.05) has been found. Hence, H2 and H4 are respectively supported. Social network usage had an insignificant positive association with information engagement (β=0.036, P>0.05), thus H6 is not upheld.

4. Discussion

This research contributes to the theory and application of the impact of social networking usage on customer relationship development, information engagement, service assessment, and trust and loyalty. The research also investigated the impact of information engagement, service assessment, and trust and loyalty on customer relationship development. The findings indicate that social network usage is positively associated with customer relationship development, trust and loyalty, and service assessment. However, the results show that information engagement is not significantly associated with customer relationship development.

Note: ** P<0.05; *** P<0.001.
relationship development. All these relationships have been studied in previous literature. However, no previous studies have been found at Saudi Arabia’s communication service providers and their usage of social media as a means to enhance the relationships with their customers. Testing the hypothesized relationships, it is important to stress that the usage of social networks has particularly a strong significant positive impact on the customer relationship development. This may be attributed to the continuous communications on social networks that opened new channels for companies to keep in touch with their actual and potential customers. The company’s continuous communications with its customers on social networks enhances the customer’s feel of involvement and trust with the company. This result is in parallel with the findings by Hu (2013) who found a strong association between the use of social networks and the value of the customer and the quality of service and how this is related to the management of customer relationships. The findings also validates the results by Wigmo et al. (2010) which concluded that social media can be used to develop customer relationship, and the results by Foster et al. (2010) which confirmed that the availability of social networking sites is an opportunity to develop the relationships between the organizations and their customers. Accordingly, the study recommends telecommunication providers in Saudi Arabia to adopt the concept of Social Customer Relationship Management (Social CRM). The idea of social customer relationship management vitalizes the role of business to facilitate collaborative experiences and dialogue that customer values (Baired & Parasnis, 2011). Inclusion of this concept in the company’s marketing strategy can enhance the effectiveness of customer relationship management in the company, especially with the great developments and changes in the field of marketing and e-commerce, influenced by social networking communications. This association of social media with customer relationship management strategies is the next frontier for companies that want to optimize the power of social interactions to get closer to their customers (Patil, 2014).

The second predictor of customer relationship development is service assessment of feel and serve. This may be attributed to the customer’s feeling that the companies are doing well in two-way communications with the customers in order to provide them with information, reply their questions, and solve their problems. Such a feeling of support could enhance the company’s relationships with its customers. This is also enhanced by the result that the company’s usage of social networks affects positively consumers’ feel toward the company. Accordingly, the study recommends the telecommunication companies to pursue all that is written on the social networks (eWOM) and to be active in responsiveness. This is because of the significant impact of social networks in increasing the companies’ sense and serves to their customers and will have a positive impact on the development of the company’s relationships with customers as found in the current study.

Trust and loyalty have a positive effect on the customer relationship development. This is logical because trust is a base of customer relationship development (Schiffman & Kanuk, 2009). The result validates the findings by Nadeem (2012) which revealed that customers who are communicating with companies through the social media are more loyal to the company and spend more money with it compared to other customers. This finding also supports the study carried out by Laroche et al. (2012), which suggested that social media positively influences trust and loyalty of the brand, and the study by Ab Hamid et al. (2013) which found a direct positive association of the use of social media with trust. The positive relationship between the telecommunication providers’ use of social networks in Saudi Arabia and the customer trust and loyalty could be attributed to the culture of Saudi society. Saudi citizens (94% of the study sample) prefer direct communications with companies. Besides, the significant management role of telecommunication companies of their accounts on social networks is essential to make customers engaged with information. As Chapman (2008) put it; brand loyalty is achieved if the company knows how to deal with consumers, listen to them, follow their comments, and respond to their suggestions.

On the other hand, an insignificant direct effect has been found between the customer information engagement and customer relationship development. This result is in parallel with the findings by Abdullayev & Wang (2011). The finding may be logical in terms of telecommunication providers in Saudi Arabia because social customer relationship management programs (Social CRM) have not yet reached a sufficient maturity. Social CRM is aimed at customer engagement rather than customer management (Greenberg, 2010). Besides, the company’s little attention towards an information engagement strategy on social networks could be attributed to the companies’ reliance on other sources to gather customer information such as: data mining and customer relationship management systems. Based on this result, the study recommends telecommunication companies in Saudi Arabia to use social networks to send marketing messages with useful information that contribute in delivering the value proposition to consumers. It is important that the Saudi telecommunication companies conduct studies to determine the types and quality of the information needed by the customers on the social networks about the companies and their products (think customers). Information engagement and the content of messages on social media should be given the utmost concern about what information the consumer needs, and
in which design it should be.

Generally, the study recommends the telecommunication companies in Saudi Arabia to develop customer service competence and empowerment of their staff who are in charge of the social networking. Social networking employees are of high importance in communication with customers. It is better to develop a mechanism that responds directly to the customers to guarantee quick response to their inquiries. Companies should appreciate the customer assessment of their pages on social networks. The study also outlines the importance of encouraging customers to use social networks to keep in touch with the companies, rather than using the traditional methods. The companies should take the customers’ feedback on their accounts serious. The feedback information is useful to promote the strengths and overcome the weaknesses from the consumer’s perspective. Companies should do best to ensure the security and privacy of customer data in general, and for women in particular to cope with the sensitive culture of the Saudi society.

5. Research Limitations

The study respondents were only from individual customers of telecommunication companies in Saudi Arabia who uses the social networks of Twitter, YouTube, and Facebook. Furthermore, the research relied on a convenience (non-probability) sample. Besides, the study examined the effectiveness of the Saudi telecommunications companies’ usage of social networks from the customer’s perspective. The sample did not include the staff of these companies. Additionally, because of the research’s theme is relatively a new academic field in the e-business arena, particularly in Saudi Arabia, the researcher found it difficult to reach sufficient previous studies that are directly related to its theme. Finally, data were collected through an electronic questionnaire, which may lead to uncertainty of the input accuracy. Hence, the study findings should be taken within these limits.

6. Directions for Future Research

This study has focused on the customer perspective. Future research is proposed to study the impact of social network usage on customer relationship from the companies’ perspective. It is preferable to conduct comparative studies to illustrate the differences between the customers and staff attitudes towards the relationship between the use of social networks and customer relationship development.

References


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