

**MEDIATING ROLE OF ELECTRONIC WORD-OF-MOUTH SKEPTICISM TOWARDS
RELATIONSHIP BETWEEN PARASOCIAL INTERACTIONS AND CUSTOMER EQUITY
IN SOCIAL MEDIA CONTEXT: FOCUS ON FASHION BRANDS IN PAKISTAN**



IFFAT BATOOL

QUAID-I-AZAM SCHOOL OF MANAGEMENT SCIENCES

QUAID-I-AZAM UNIVERSITY

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IFFAT BATOOL

**THESIS SUBMITTED IN PARTIAL FULFILMENT
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Quaid-I-Azam University, Islamabad**

Original Literary Work Declaration

Name of the Candidate: Iffat Batool

Registration No: 02151611006

Name of the Degree: Master of Philosophy

Field of Study: Business Administration

Title of Thesis (This Work): Mediating Role of Electronic Word-of-Mouth Scepticism towards Relationship between Parasocial Interactions and Customer Equity in Social Media

Context: Focus on Fashion Brands in Pakistan

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This is to certify that the thesis submitted by **Iffat Batool** is accepted in its present form by the School of Management Sciences, Quaid-i-Azam University, Islamabad, as satisfying the necessary requirements for partial fulfillment of the degree of Masters of Philosophy in Management Sciences.

Supervisor

Dr. Rabia Mushtaq,
Assistant Professor,
Quaid-i-Azam School of
Management Sciences,
Quaid-i-Azam University,
Islamabad.

External Examiner

Dr. Ahmed Imran Hunjra
Assistant Professor,
Quaid-i-Azam School of
Management Sciences,
Quaid-i-Azam University,
Islamabad.

Director

Dr. Rabia Mushtaq
Assistant Professor,
Quaid-i-Azam School of
Management Sciences,
Quaid-i-Azam University,
Islamabad.

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Abstract

The purpose of this study is to find the mediating role of electronic word-of-mouth skepticism towards relationship between parasocial interactions and customer equity in a social media context with a focus on fashion brands of Pakistan. A quantitative approach to existing study has been used for achieving its purpose which applied online questionnaire for gathering data from online audiences of fashion brands. The unit of analysis of the study comprises of individuals who followed social media channels of three fashion brands. By applying non-probability sampling technique, i.e. convenience sampling, a sample of 400 individuals has been selected to get data through close ended online questionnaires. Statistical analyses technique, i.e. regression and Sobel test have been applied to analyze survey results and prove the status of mediation between parasocial interactions and customer equity through eWOM skepticism. The results have proved that a significant correlation exists between parasocial interactions, customer equity, and eWOM skepticism. Further, significant results have been found in regression analysis between parasocial interactions and customer equity, which proved a direct relationship between these two variables. The mediation test has also proved significant results revealing partial mediation of eWOM skepticism in elaborating relationship between parasocial interactions and customer equity. The study concludes that relationship between parasocial interactions and customer equity is strengthened through eWOM skepticism. Future researchers can expand results of this study by incorporating a large and diverse sample from multiple fashion brands of Pakistan to generalize results over a large population. This study also offers managerial implications for the marketing managers of fashion brands to build constant and strong parasocial interactions with customers while considering their skepticism towards eWOM in order to enhance customer equity.

Keywords: Social media, customer equity, parasocial interactions, electronic word of mouth

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List of abbreviations

AVE	Average Variance Extracted
CBE	Customer Brand Equity
CDT	Cognitive Dissonance Theory
CLV	Customer Life Time Value
CR	Composite Reliabilities
CRE	Customer Relationship Equity
CVE	Customer Value Equity
DT	Dispositional Trust
eWOM	Electronic Word of Mouth
eWOMS	Electronic Word of Mouth Skepticism
PSA	Parasocial Attraction
PSI	Parasocial Interactions
PSS	Parasocial
SA	Structural Assurance

1. Introduction

1.1 Context

In today's digital era, many brands have been aiming to use social networking sites in multiple ways for developing and maintaining relationships with customers in the long term. Organizations are making sure to use social media networking sites in their marketing activities as secure communication channel at low cost in order to retain customers and enhance brand image (Yuan, Kim & Kim, 2016). The media landscape has been transformed quickly as it has become largely inescapable for organizations to ignore online networking sites. Organizations have been capitalizing effective and multidimensional aspects of social media networking sites to associate with customers as this media allow people to develop and display data sharing and interpersonal communication (Park, Song & Ko, 2016; Hausman et al., 2014).

In this digital twenty-first century, social networking has taken a whole new paradigm as social activities are now deeply rooted in online communication. In this respect, it has taken up the role of marketing activities for many organizations. As one of the leading social networking sites, Facebook, having billion users across the globe, serves as an effective platform for customers to communicate with brands, participate in information sharing and buy products. It has been reported that social networking, marketing allows more direct and interactive communication, participation and information sharing than traditional marketing channels which allow one way communication with customers (Tsai & Men, 2013). It is important to note that consumers not only sharing information and their thoughts about products on social networking sites, but also participate in promoting and trading products, thereby contribute in marketing activities of brands (Dhaoui, 2014; Yuan et al., 2016). Furthermore, customer participation in marketing activities has largely increased with

massive growth of smartphones and mobile technology, which has allowed more convenience and mobility. This active consumer participation allows brands to have more novel ideas to differentiate their products and marketing campaigns and also to develop long term relationships with customers (Yuan et al., 2016). With the convergence of online networking innovations, a more interactive and community oriented system has emerged which deals with customer relationships (Trainor et al., 2014). Previous researchers have also noted that organizations can draw in customers in interactive and collaborative practices through online networking activities for upgrading customer value (Yuan et al., 2016).

When the business world has become more competitive and dynamic, it has become more important for organizations to engage and collaborate with customers for creating new products, building value and business models, but also to develop long term relationship with them. Social media marketing strengthens feelings which customers associate with specific brands. Moreover, researchers also revealed that social media activities enhance brand value as they provide platform to customers to exchange their opinions and information with other users (Kim and Ko, 2012). This research aims at evaluating how interactions of brands with customers on social media influence customer equity.

The term parasocial interactions was developed by Horton and Wohl (1982) to describe audiences' social interactions with media celebrities and characters who are called personae during media campaigns. They provided precise and preliminary perceptions and descriptions of parasocial interactions and all long term reactions of people to personae in terms of parasocial relationships. The marketing campaigns of organizations are aimed at making steps for filing requirements of customers and also for building and maintaining long term relationships between customers and firms. While considering the participation of buyers in social media campaigns of organizations, it is important for marketers to understand

what inspires customers to participate in such conduct (Kontu & Vecchi, 2014). Therefore, it is expected that parasocial interactions have long term implications for both customers and firms.

As social media is a public platform which allows people to share their views about products and brands with other online users, customers are often prone to unauthentic and unreliable information about brands based on the opinions of other users floating on social media. In this way, online environment which renders exchange of information between customers and brands and relationship building, in virtual sets, may create doubts in shaping relationships among them, which ultimately hinders long term customer-firm relationships and also hinders improvement in the company's performance. This has given rise to the concept of electronic word of mouth (eWOM) which refers to statements about anything made by users which are available to other users on the internet (Cheung et al., 2008; Yuan et al., 2016). Within marketing literature, the concept of eWOM has been largely researched with respect to its influence on brand recognition, product preference and vendor evaluation (Lee et al., 2009; Tsai & Men, 2013). However, its association with parasocial interactions between brands and customers and customer equity has not been researched. Therefore, this study has provided detailed examination of how active participation of customers with brands on social media influences customer equity with mediating role of customers' skepticism towards electronic word of mouth.

1.2 Problem Statement

Over the years, there has been a significant increase in online shopping in Pakistan with the improvement in communication technologies. The considerable rise in online shopping trends in Pakistan has influenced practitioners and academics to study marketers can enhance firms' values by managing customer relations in an online setting. In today's

dynamic and competitive business environment controlled by social media, marketers need to comprehend customer participation and involvement in a way different than offline participation and interaction as online interactions involve customer to customer involvement too whereas offline interactions are restricted to customers and brands only. The tremendous expansion of social media has empowered customers to interact with other customers and brand representatives intervened by several innovations such as smartphones. As internet is a public platform which offers lots of information, customers are often vulnerable to fake and unauthentic information. This fake information can not only restrict customers for online buying but also limit their interactions with brands on social media. Additionally, customers also remain doubtful to believe on online information about the brands which enforces marketers to understand whether customers' skepticism towards word-of-mouth control relationship between parasocial interactions can customer equity.

Many reports have confirmed that Pakistan's online shopping trends have been improving over the past few years (Times of Islamabad, 2016). There has been a tremendous increase in online shopping in Pakistan owing to improvement in communication technologies such as the introduction of 3G and 4G technology. Although the internet shopping market has been expanding in Pakistan, there are still concerns among customers regarding privacy, security, appropriateness of goods and services bought and honest claims of online vendors. Therefore, it is important for researchers to investigate deeply how brands have been tackling these issues and how interactions among customers and online vendors can build customer equity. When it comes to developed countries, the online market has been very well structured in terms of customer privacy and security concerns (Cho, 2011). However, studies from developing countries such as Pakistan portray a very different picture of online shopping as websites are not user friendly and customers have issues related to privacy and security during online shopping (Chaudary, Nisar & Rehman, 2014). This

identifies that there is need to conduct study to know how fashion brands can enhance their customer equity by building relationships with customers within social media context.

With web based social networking setting, customer involvement and participation in social media activities of firms can be categorized into customer, brand, customer media and customer support aspects. Further, customers are prone to a variety of information from other internet users, and also from brand representatives, thereby facing a difficult situation to decide about associating with a particular brand. At present, there exists a research gap about whether customers' skepticism towards eWOM mediates association between parasocial interactions can customer equity. Therefore, marketers need to investigate how customers process information from brand representatives through parasocial interactions and how eWOM can play its role in establishing relationship between parasocial interactions and customer equity. Hence, it is insightful to explore how skeptical views of customers towards eWOM modify and impact relationship between parasocial interactions and customer equity.

1.3 Research Objectives

The proposed study has been aimed at analyzing the mediating role of electronic word-of-mouth skepticism in relationship between parasocial interactions and customer equity in the context of social media within fashion brands of Pakistan.

Further objectives of the study will be:

- To study the theoretical foundations of parasocial interactions and customer equity
- To assess the association between parasocial interactions and customer equity within fashion brands of Pakistan

- To examine the extent to which skepticism towards electronic word-of-mouth mediates relationship between parasocial interactions and customer equity
- To propose practical recommendations to practitioners for improving customer equity through effective parasocial interactions on social media

1.4 Research Questions

Following research questions will be addressed in the study:

- What is association between parasocial interactions on social media and customer equity within fashion brands of Pakistan?
- To what extent skepticism towards eWOM mediates association between parasocial interactions and customer equity in case of fashion brands of Pakistan?
- How can marketers of fashion brands improve customer equity through effective parasocial interactions on social media?

1.5 Significance of Study

Today's business environment has become very competitive and dynamic where customers are able to approach local as well as global brands on their cell phones. Social media has provided opportunities to customers and firms to interact with each other and seek feedback on products and services. At the same time, it has become very challenging for marketers to manage interactions with customers as plenty of information is available on the internet in terms of electronic word of mouth. This study has provided in depth understanding of how customers process information and internet with fashion brands in Pakistan within social media context. It has explored significant insights to explain relationship between parasocial interactions and customer equity within social media context of fashion brands in Pakistan. In addition, significant understanding of the role of electronic

word of mouth skepticism on relationship between parasocial interactions and customer equity has also been made. Academically, this research is significant to bridge literature void with reference to role of eWOM skepticism in establishing relationship between parasocial interactions and customer equity. Practically, the findings are significant for marketers of fashion brands to comprehend how eWOM skepticism can influence customer equity even when customers have sufficient interactions with brands. Specifically, this research is significant for local fashion brands of Pakistan to enhance their brand equity through interactions with customers while minimising negative word-of-mouth. In the emerging online fashion market of Pakistan, this study has proposed significant implications to marketers to build strong relationships with customers and enhance effectiveness of parasocial interactions.

1.6 Scope of Study

This study mainly focused on analyzing the mediating role of eWOM skepticism in relationship between parasocial interactions and customer equity with specific focus on fashion brands in Pakistan. The scope of the study is confined to social media, interactions of customers with brands' representatives and only electronic word-of-mouth skepticism has been taken into account. Customers' interactions with media celebrities through magazines and mass media have not been considered.

1.7 Research Structure

The study has been developed into five chapters which focused on achieving research purpose and objectives in a systematic way. A brief summary of all these chapters has been given below:

Chapter one

This is the introductory chapter of research which has provided the contextual foundation of the research. The chapter starts with developing context of study and expands to elaboration of research aims and objectives. Further, research questions have also been described. Lastly, the significance of research for academics and practitioners has also been elaborated in this chapter.

Chapter two

This chapter has been aimed at elaborating a theoretical framework of the study in a detailed way. Previous literature on parasocial interactions, customer equity and electronic word of mouth has been critically discussed. This chapter starts with the introduction of social media and extends to understanding of social media communication and challenges. Later, parasocial interactions, motivations to use social media networking sites, and impact of parasocial interactions on customer equity has been discussed. Additionally, some models of customer equity have also been critically discussed in this chapter. Finally, theoretical framework and hypotheses of study have been developed on the basis of literature review.

Chapter three

In the third chapter, researcher has described and justified research methodology deployed for conducting the study. Specifically, the researcher has elaborated research paradigm, research methods, approach and data collection tools used for this study. In addition, research instrument, sampling decisions and analysis procedure has also been elaborated in this chapter. All methodological decisions made in the study are justified in the light of research aims and objectives.

Chapter Four

This chapter has focused on analyzing and presenting results of a survey in a logical and systematic way. The chapter starts with a presentation of descriptive findings of the survey and extends to correlation and regression analysis. Further, mediation analysis has also been elaborated. The final section of this chapter has aimed at discussing research findings in the light of literature results.

Chapter Five

This is the last chapter of the research which presents conclusion of the study and reviews research aims and objectives. The answers to research questions have been presented in this chapter in perspective of survey findings. In addition, future prospects of study and managerial recommendations of findings have also been discussed in this chapter.

2. Literature Review

2.1 Social Media

Social media are ending up progressively mainstream in a way not known previously. In a matter of a couple of years, social media destinations (devices) have pulled in a large number of customers, a significant number of whom have coordinated them into their everyday hones. Having a discussion on Facebook, creating an impression in Twitter or viewing a video on YouTube has moved toward becoming a piece of the day by day practices of a great many individuals around the world. As indicated by Alexa, a main supplier of web investigation, three social media destinations made it to the best 10 of sites as far as activity (guests) amid January 2013 bringing about billions of individual visits (Alexa, 2013).

Social media covers a wide range of online forums which encompass blogs, micro blogs, social networking websites, and discussion boards where people can share their opinions and ideas about specific things (Kaplan & Haenlein, 2010; Mangold & Faulds, 2009), and they are considered as part of Web 2.0 family (Constantinides & Fountain, 2008; Martin, 2012). O'Reilly (2005) introduced the term Web 2.0 as a platform which is used for sharing information, collaboration and design among users and interoperability. On the other hand, other authors suggested that Web 2.0 is a technological platform which has paved way for development of social media, which focuses on communication and information sharing as social aspects of Web 2.0 (Birdsall, 2007; iCrossing, 2008; Keller, 2009; Kaplan & Haenlein, 2010; Flinck, 2011). Whatever the purpose and aspect of social media is, it has been defined by different researchers and marketers in different perspectives. For instance, Richter and Koch (2007) defined social media as a combination of online platforms, applications and media, which facilitate information sharing, collaboration and interactions among users. On the other hand, Williams & Chinn (2010) suggested that social media is the

combination of platforms, tools and applications which enable users to communicate, connect and collaborate with others in real time. Eisenberg (2008) suggested that social media is a platform that facilitates relationship building and interaction among customers and marketers. On the other hand, Weinberg (2009) suggested that individuals use social media for sharing experiences, information and perspectives with others through community based websites. Yet, another view of social media was presented by Bradley (2010) who revealed that social media is a set of channels and technologies which aim at enabling and forming collaboration among participants of a community. This implies that social media is a set of online tools and applications which allow two-way communication among users to allow them to interact, communicate and share information with each other and also with organizations.

2.2 Web-Based Social Networking Communication

The expansion of social media applications has largely affected the ways people used to communicate, share information and take decisions about buying products and services (Qualman, 2009). Researchers have recognized that the internet has become very attractive and accessible place for people to meet with others and exchange information (Constantinides & Fountain, 2008; Cooper, 2010; Hanna et al., 2011; Yan, 2011). Further, it was revealed by Stop et al. (2009) that people join social networking sites with the purpose of socialization with others and also for sharing information with them. There have been multiple market research studies which suggested that consumers are more likely to trust peer recommendations than traditional marketing persuasions of brands (Kapferer, 2008; Keller, 2009; Yan, 2011).

In reality, a few organizations from various financial areas have coordinated web-based social networking into their plan of action as a major aspect of their advertising technique (Blaszka, 2011; Clavio, 2011; Constantinides et al., 2008; Hambrick et al., 2010;

Kassing & Sanderson, 2010; Martin, 2012; Pegoraro, 2010). Organizations perceive the gigantic open doors and are thinking of quick plans to advance themselves by means of online devices. Hewlett Packard endeavor to keep in contact with its intended interest group through various official online journals on industry-related subjects. Blackberry and Apple are cases of major brand nearness using social media (Harrigan, 2011). Many leaders of major brands have also been using social networking sites to engage with consumers. For instance, Steve Jobs, the previous CEO of Apple Computers, and Bob Langert, the vice president of McDonald's interact with consumers on social networking sites to encourage and influence customers to express their opinions about their organizations (Constantinides et al., 2008). This enhances the effectiveness of social networking sites for organizations as well as for consumers. In the same manner, many brands such as Germany's T-Mobile, Shirt city in Barcelona, and Domino's Pizza, all have been using social networking sites to engage and interact with customers on a frequent basis (Constantinides et al., 2008).

Web-based social networking has turned out to be amazingly prominent among associations and customers since they encourage the improvement of online groups. Specifically, a few researchers concur that through online brand groups, web-based social networking utilization can prompt more grounded and truer associations with the brand (Ballouli, 2010; Muniz & O'Guinn, 2001; Richelieu et al., 2011; Wallace et al., 2011). Online brand groups, additionally called e-clans (Kozinets, 1999) or virtual groups (Kozinets, 1999; Simmons, 2007), are groups working around a brand and help the brand in giving direction and help with its online individuals, sharing data and brand stories, holding history and culture of the brand and apply impact and weight to its individuals to stay faithful to the brand (Mc Alexander et al., 2002; Solomon et al., 2006). Online people group is likewise intensified utilized by purchasers as a wellspring of data, social cooperation and relationship

building (Kozinets et al., 2010; McWilliam, 2000; Tan, 2012; Wallace et al., 2011; Williams & Chinn, 2010; Yan, 2011).

Academics have also taken likewise notice of the expansion of web-based social networking. A few industry segments have been explored, for example, the design business by Kim & Ko (2011), or the nourishment division by Dholakia & Durham (2010) with a plan to expand our comprehension on the utilization of social media as specialized devices and their effect on incomes, shopper conduct and brand building. All investigations unit in that web-based social networking plays these days a critical correspondence part and influence decidedly the income floods of the brands. Bruhn at al. (2012), contrasting customary and web-based social networking correspondences reasoned that web-based social networking interchanges affect the two measurements of brand value, the effect being more grounded on brand picture.

2.3 Social Media Challenges

Though social media has offered multiple opportunities for consumers and organizations, it also poses some challenges for marketers to be considered in developing marketing strategy. Bolotaeva & Cata (2011) noted that the most important challenge of social media for organisations is that they face limited brand related information. For instance, the contents generated by consumers about brands lies in close or private online communities, and often this content has been negatively related to the brand. Flinck (2011) suggested that consumers often have negative experiences with the brand and often these negative experiences are due to false rumors. Besides this, it has also been noted that social media sites often ignore the positive response from businesses considering that it is for their commercial purposes (Boyd & Ellison, 2008).

Moreover, only one out of every odd web-based social networking device can be utilized for each objective the brand intends to accomplish (Kaplan & Haenlein, 2010). Identified with this is the way that, in spite of the fact that brands have online adherents around the world, a web-based social networking effort may work for one culture yet not for another (Flinck, 2011). Since web-based social networking go crosswise over national outskirts, the message may change in transit and the firm will be unable to keep this or have an impact on it amid this procedure. In addition, the message can go crosswise over social visitors changing the significance significantly (Kozinets et al., 2010). This might be especially the case for football clubs, particularly the individuals who address a worldwide group of onlookers yet additionally the individuals who utilize footballers originating from various nations around the globe. Kaplan & Haenlein (2010) additionally say that a web-based social networking nearness ought to be amateurish and genuine, implying that brands ought not to overlook that social media customers are individuals who comprehend that things don't generally go easily.

It is important to note that online followers of brands have increased on social media by many folds. However, the increasing number of online brand communities and fans is not indicator of a successful marketing campaign of a brand. Yan (2011) suggests that a brand may have an impressive number of followers on a social networking site, but its interaction with followers is very limited which is not positive for a brand's image. For having an effective management of social media followers, brands have started to develop authentic and effective content to enhance engagement with followers (Yan, 2011).

Marketers need to address the issues related to rumours and fake characters about brands on social media through technical expertise (Yan, 2011). Social media is a place where anyone can claim to be somebody else through fake profiles, and often renowned

individuals and celebrities are victims of such fake news which can ultimately damage the brand image with which they are attached.

In the business world, a few sites claim to be the official web-based social networking nearness of some companies and genuine profiles are often in a while falling behind their followers. Therefore, marketers must take measures to tackle issues of fake news and profiles in order to compete in a market effectively.

2.4 Parasocial Interactions (PSI)

Celebrity consumer relationships have been researched over the years by academics and marketers to see their value for brands (For instance, Rubin & Perse, 1987; Rubin et al., 2005, & Schiappa, Gregg, & Hewes, 2006). During 1950s, there had been an influx of television shows, comedy programs, and films which influenced marketers and researchers to explore how mass media mediated experiences of consumers with celebrities are reflected in real lives and social relationships of consumers. The term parasocial interaction was first originated by Horton & Wohl (1956). This term has been theorized as the appearance of face-to-face and apparently real relationships between celebrities and consumers, which is simulacrum of give and take, theologically; albeit the relationship is controlled by a celebrity and often one sided (Horton & Wohl, 1956; and Tsotsou, 2015). For this study, this term represents the history of interactions between celebrity and consumers, which reveals an illusionary or imaginary relationship as there is no true relationship or interaction between them and everything is structured on the basis of fantasy through the media.

Researchers have elaborated parasocial interactions in different ways in perspective of media and celebrities. For instance, Rubin & Step (2000) suggested that parasocial are psychological connections developed by individuals with celebrities, and other media personalities through virtual media. Through these interactions, individuals feel that they

have face-to-face and interpersonal interactions with celebrities which are based on mere imagination. Some researchers have proved that individuals perceive such relationships as analogous to interpersonal relationships in real life (e.g. Rubin & Perse, 1987; Perse & Rubin, 1989; Sood & Rogers, 2000; Labrecque, 2014).

Whenever audience members or watchers of a media program wind up noticeably connected to specific characters, they take part in inward discourses with those characters in an estimate of up close and personal, relational connections (Rubin & Step, 2000). They welcome the qualities and thought processes of appealing media characters, regularly seeing them as advisors, even as good examples (Horton & Wohl, 1982; Schramm & Knoll, 2015). Within marketing literature, parasocial interactions have been elaborated in terms of social interactions rather than on personal aspects based on three aspects, namely proximity, attraction and similarity (Miller, 1978; Lim & Kim, 2011; Wohlfeil & Whelan, 2012).

Proximity represents the extent of conceptual or actual closeness between individuals which plays a critical role in recognizing whether relationships are parasocial or interpersonal, between individuals and celebrities (Lim & Kim, 2011). The parties who communicate with each other can be separated from each other on the basis of social, personal or public distances (Labrecque, 2014). In the context of parasocial relationships, the physical distance separates viewers and venues as viewers are supposed to see celebrities on televisions and other form of media, from miles away. Seen reasonable separation additionally isolates watcher and media identity; for instance, contrasted and the watcher's theoretical closeness with loved ones. In this way, degrees of vicinity influence the improvement and extreme degree of parasocial connections. Likewise crucial in recognizing individual and social connections is how much certain qualities can be assembled together. Previous studies have proven that people are more likely to have an attraction for those who

are or who seem to have similar ideas, perceptions or believes (Kandel, 1978; Munzel & Kunz, 2014). They are attracted to those individuals who have similar habits or behavioral patterns such as drinking, smoking etc. (Gleitman & Gleitman, 1997). When individuals can recognize and identify media personalities closely, these personalities are said to be more attractive.

Attraction, which assumes a crucial part in parasocial connections (Byrne, 1971; Houston, 1974), and without a doubt in all connections, happens when one individual is straightforwardly orientated toward another, an interest frequently portrayed as far as signs and force (Hybels & Weaver, 1998; Newcomb, 1961). Physical, behavioral, and attitudinal measurements are pertinent to fascination. Albeit the physical engaging quality is liable to time and culture, it frequently creates the arrangement of relational connections (Byrne, Ervin, & Lamberth, 1970; Gleitman & Gleitman, 1997). Behavioral engaging quality shows, attractions for individuals who are affable as well as has copious material assets. Watchers are frequently pulled in to media identities that regularly have physical and behavioral engaging quality. Therefore, the obligation of closeness between media customers and identities in parasocial connections depends on nearness, comparability, and fascination.

2.4.1 Source credibility and PSI. The effectiveness of communication depends on many sources, of which credibility of communicators is very important. Previous researchers have suggested that attributes of communicators may influence the way how receivers perceive and receive the message (Ohanian, 1990; Sun, 2010). For instance, if communicators have positive attributes, they are more likely to have high source credibility. In the context of mass communication, credibility of source decides audience's attitude towards mass media (Schramm & Wirth, 2010). Gatherings of people are well on the way to see credibility in errand people who are engaged with circumstances, issues, or gatherings;

therefore saw validity is conceptualized as a crowd of a person's reaction instead of a property of the delegate (Gunther, 1992).

Researchers have explained a variety of factors which influence source credibility in the communication process. For instance, one literature stream suggests that knowledge, appeal and reliability are critical factors in establishing source credibility (e.g. Maddox & Rogers, 1980; Joseph, 1982; Kahle & Homer, 1985; Wu, Tao, Li, Wang & Chiu, 2014). In this perspective, source credibility represents whether receivers of messages associate above-mentioned dimensions with communicator or messages (Erdogan, 1999). Ohanian (1990) has considered attractiveness, trustworthiness and knowledge as the important dimensions which establish source credibility. In the same vein, other researchers have also revealed that if celebrity endorsers have adequate expertise and knowledge, audiences perceive that celebrities make valid statements about brands (Wu et al., 2014). When it comes to persuasive communication, audiences have positive perceptions about the expertise of source which ultimately points out source effectiveness. Audiences react differently to recommendations made by endorsers on the basis of their perceptions of endorsers' knowledge and expertise and also on the basis of their agreement with those recommendations. A similar argument was made by Ohanian (1990) that respondents who are exposed to endorsers having higher expertise tend to agree with endorsers' recommendations while respondents exposed to endorsers having low expertise are less likely to agree with the recommendations. This implies that the endorser's effectiveness is predicted by their level of expertise.

More intense than perceived expertise in delivering state of mind changes is reliability: shopper certainty that the communicator passes on substantial attestations (Ohanian, 1990). Very reliable communicators can convey exceptionally obstinate messages

and deliver powerful state of mind changes; yet non-trusted communicators have irrelevant effect (Miller and Baseheart, 1969). Celebrity endorsers' reliability is a critical indicator of big name support viability (McGinnies & Ward, 1980).

A wide literature stream has addressed different factors impacting effectiveness of endorses in marketing contexts. It has been reported that ability, personality and physical attractiveness of endorses determine the attractiveness of celebrity for a brand; thereby highlight indicators of effective advertising and celebrity endorsement (e.g. (Chao, Wuhrer, & Werani, 2005; Till & Busler, 2000). This confirms that idea that people favor those celebrities who are physically attractive over those who do not look very attractive. It has further been suggested by researchers that people give higher points to celebrities for their attractive traits while lower marks for those traits which are less attractive (Kahle & Homer, 1985; Wu et al., 2014). Other researchers have highlighted that the attractiveness of celebrities is more likely to influence consumers' opinions and product evaluations which identifies their higher persuasive effectiveness for selling products of the company as compared to less attractive celebrities (Wu et al, 2014).

Researchers have suggested that credibility of the source has direct influence on parasocial interactions (e.g. Basil, 2000; Yuan, Kim & Kim, 2016). Others have noted that individuals tend to imitate behavior of those whom they perceive similar to themselves (Yuan et al., 2016). In this respect, when individuals perceive that their behaviors are similar to those of celebrities, celebrity endorsements have a larger impact on them. Overall, literature proved that trustworthiness, knowledge and attractiveness in celebrities enhance their credibility which ultimately enhances positive impacts of parasocial relationships.

Marketing literature has endorsed that fans of celebrities have developed some kind of strong bonds with celebrities and they admire celebrities having strong credibility resulting in

strong parasocial relationships (Hung et al., 2011). Celebrities are constantly exposed to consumers through different kind of media, which induces some consumers to develop imaginary relationships with celebrities and public figures. They perceive that such relationships are face-to-face and real for their social experiences, thus have strong influences on their lives.

2.4.2 Motivations to engage in PSI. Individuals use social media and parasocial interactions for different purposes and intentions and it is very important for marketers to understand the consumers' intentions behind developing such interactions with celebrities and also behind using social media networking sites. In this perspective, Rubin & Step (2000) suggested that motivation is the central idea behind developing parasocial interactions as the different motivations may lead to have different behaviors and communication choices towards celebrities. For instance, when individuals like to develop companionship, need entertainment and take information, they are more likely to listen to the radio, use media and develop relationships with celebrities such as hosts (Rubin & Step 2000; Munzel & Kunz, 2014).

Several studies have proved that individual's motivations to use social networking sites have positive correlation with their intentions to develop parasocial relationships (e.g. Rubin, Perse, & Powell, 1985; Joinson, 2008). This implies that the more users use media for getting information, entertainment and developing social connections, the stronger parasocial relationships they develop with media personalities. Their thought processes are firmly identified with their psychological encounters, which at that point decide if they will relate to a media identity. Inspirations for utilizing SNS, for example, Facebook and Weibo incorporate a social association, data examination, diversion chasing, and relationship-building (Alhabash, Park, Kononova, Chiang, & Wise, 2012; Zhang & Pentina, 2012).

Data looking for is any action embraced to get human and mechanical learning. For our motivations, data looking for alludes to journeys to get data that fulfill interest, satisfies general interests, and clarifies current news and social occasions (Ellison, Steinfield, & Lampe, 2007; Leung, 2009; Park, Kee, & Valenzuela, 2009). For our motivations, amusement alludes to utilization of SNS to fill time, determine libertine joy, unwind, and have a ton of fun (Kaye, 1998; Leung & Wei, 1998). People attempt relationship-working to keep up tasteful and sturdy connections. In this examination, relationship-building alludes to people's utilization of SNS to all the more effortlessly associate with individuals and to better keep up their associations (Leung, 2009; Sheldon, 2008).

Other researchers have noticed that individual's motivations for using social networking sites may influence their attitudes, habits and choices of communication which ultimately influence subsequent parasocial relationships (e.g. Rubin et al., 1985; Armstrong & Rubin, 1989; Rubin & Step, 2000; Joinson, 2008; Munzel & Kunz, 2014). Others have noted that the stronger the users' motivation for entertainment and information seeking, the stronger will be the celebrity/user parasocial relationships (Rubin & Step, 2000; Labrecque, 2014).

2.5 Customer Equity

The concept of customer equity can be tracked back to one of the early publications by Blattberg & Deighton (1996) who focussed on creating and enhancing customer equity. Since then, this concept has been widely researched by academics and marketers in different perspectives to see its benefits for marketers. Often this term is synonymously used with customer lifetime value which refers to the present value of all future profits generated by a customer over a time (Gupta & Lehmann, 2003). On the other hand, it also represents the future revenue stream generated by acquiring, retaining and expanding customers and also

their related costs (Gupta et al., 2004). Others have suggested that customer equity is the aggregate value of all customer lifetime values of all present and future customers possessed by a company (Blattberg & Deighton, 1996; Bick, 2009). These definitions imply that all customers possessed by a company are profitable, which is not true; rather some are profitable while others are costly for organizations. Therefore, Gupta, et al (2006) revealed that it is critical to allocate different costs and resources to different customers depending upon their benefits for the organization. In this respect, customer equity can be a concept which assists marketers to identify and recognize profitable and costly customers. This has also been suggested by researchers who pointed that customer equity and customer lifetime value is an asset for organizations which enable marketers to identify profitable customers and allocate adequate marketing resources to manage these customers (Kumar & Reinartz, 2006; Hanssens et al., 2009). Marketers have developed different tactics such as door-to-door selling, telemarketing, social media marketing and direct mail marketing tactics to engage with customers and enhance customer lifetime value (Nguyen et al., 2014).

Customer lifetime value is driven by three noteworthy sources: customer obtaining, customer maintenance, and customer development (or strategically pitching) (Gupta et al., 2006). A brand can spend on showcasing activities, for example, publicizing to gain new customers, or to keep up current customers (Hanssens et al., 2008). A brand can likewise create an association with its customers to present them its different items, and brands (strategically pitching) (Rust et al., 2004b). This is imperative, particularly when customers lose their enthusiasm for a brand. Rather than eliminating the brand and losing the customers, customers can be moved to another brand of that organization that is a superior counterpart for them (Rust et al., 2004b).

Marketing literature has defined customer equity as the relationships with customers with a firm or company over a specific time period, and all customer lifetime values are added in order to get customer value (Blattberg & Deighton, 1996; Lee et al., 2014). For this study, customer equity definition by Rust et al (2004) has been adopted who suggest that customer equity is the total discounted lifetime values gained from all potential and current customers of a firm. They further extended that recording all marketing expenditures of company on customer equity explain the measure of financial return on the company's investment on marketing. Other researchers have also noted that understanding customer equity cannot be accomplished unless marketers understand the concept of customer lifetime value which is the net present value of profit streams gained from a company's customers (Yuan et al., 2016). In the next section, an elaboration of customer lifetime value and customer equity has been made through marketing literature.

Practitioners and researchers have given higher importance to the concept of customer equity as this concept has been linked to shareholder value of a firm (Gupta et al., 2004; Berger et al., 2006). For Gupta et al (2004), there have been a strong positive relationship between firm's market value and customer equity. They have examined data from five companies and proved that an improvement of 1% in customer equity can lead to 5% improvement in firm's market value. In the same vein, Wiesel & Skiera (2005) suggested that the financial value of a firm is significantly related to the customer equity. Their analysis of financial and customer data of two internet companies proved a strong relationship between customer equity and the firm's market value. Similar results were reported by Hogan et al (2002) who proved a positive association between these two concepts.

Considerable research has been undertaken by academics and practitioners on customer lifetime value and customer equity models. Specifically, most of the researchers

have focussed on models related to customer lifetime value, and customer equity for which different approaches have been presented (e.g. Dwyer, 1997; Rust et al., 2000; Barbarosogilu & Tulin, 2000).

Sargeant (2001) proposed four kinds of techniques to measure the concept of customer equity around two dimensions i.e. unit of analysis and time perspective. When time perspective is considered, customer equity can be calculated in two ways, i.e. projected future value or the historic value. The historic value elaborates the extent that how much wealth has been gained by company with customers in the past, whereas projected future value suggests that how much worth can be obtained from customers of the company in some future time period (Sargeant, 2000). In contrast to time perspective, the unit of analysis perspective calculates customer equity on the basis of either individual customers or group of customers. Barbarosogilu and Tulin (2000) suggested calculation of customer equity through analytic hierarchy process approach. On the other hand, Dwyer (1997) applied the migration model for calculation of customer equity whereas one migration model and four retention models were applied by Berger and Nasr (1998) for calculation of customer equity. These migration models have replicated previous models as they applied customer retention probability for calculating customer equity. However, these approaches are somehow different from each other. If a customer does not return for a specific time period, a lower probability is allocated to that customer suggesting return possibility of such customers. In this regard, these models are less reliable to determine customer equity as some customers may not return in firm in the future.

2.5.1 Customer lifetime value and customer equity. The term customer lifetime value has been researched by marketers and academics over the years to evaluate its importance for marketers. Dwyer (1989) was the first who explained the idea of customer

lifetime value (CLV). Researchers and practitioners have defined this term as the sum of the present value of all expected revenues less the costs incurred on a specific customer (Stahl, Matzler, & Hinterhuber, 2003; Yuan et al., 2016). The existing models of customer lifetime value refer to three elements, i.e. customer retention rate, the revenues gained from a customer and costs incurred in serving a customer in CLV. However, the earlier models of CLV have also referred to other factors such as cash flow sensitivity, which varies in amount and time (Reinartz & Kumar, 2000), risks in acquiring and retaining customers (Ryals & Knox, 2007), customer networking, customer referrals and learning ability (Kumar et al., 2010a). In this respect, the estimation of CLV has evolved from simplistic models to more dynamic and advanced models (Holm, Kumar, & Rohde, 2012; and Lewis, 2015).

Within marketing literature, the terms customer equity and customer lifetime values have been often used interchangeably and strongly linked, given that customer equity is defined as the combination of all customer lifetime values of a firm's customer base (Schulze, Skiera, & Wiesel, 2012). Several researchers have proposed that there is link between market capitalisation and customer equity (Kumar & Shah, 2009; Silveira, de Oliveira, & Luce, 2012), while others suggested that customer equity is important to be included in a firm's financial statements (Wiesel, Skiera, & Villanueva, 2008; Brodie, Saren, & Pels, 2011). In the same vein, Bruhn, Georgi, & Hadwick (2008), conceptualized customer equity management as a second order develop comprising of exercises identified with customer equity examination, customer equity procedure arrangement, and management of activities related to customer equity.

Though, the utilizations of customer lifetime value and customer equity structures uncover two regions for additionally look into. The first is related to the way that the greater part of the applicable writing is calculated in nature (Bruhn et al., 2008; Persson, 2011), a

circumstance which underlines the requirement for exact proof on how firms apply customer value administration practically speaking. Möller & Parvinen (2015) have further identified this research gap within marketing literature. Moreover, current business-to-business applications of customer equity lag behind developments made through business-to-customer applications in terms of utility (e.g. Ramaseshan, Rabbanee, & Hui, 2013).

2.5.2 Customer equity models. To quantify the idea of customer lifetime value and customer value, a few models have been created in the course of the most recent three decades. Blattberg & Deighton (1996) proposed a mathematical system of ascertaining customer value in light of securing and standards for dependability. With an end goal to locate the ideal obtaining and degree of consistency to amplify customer value, Blattberg & Deighton (1996) proposed as rules a rundown of contemplations, for example, putting resources into most astounding worth customers first. Their proposed measure has two principle inadequacies. First, they ignore the cross selling expansion rate into the model, and second, this principle could only be applied in direct marketing (Bick, 2009).

Another important model of customer equity was proposed by Rust et al (2000, 2004a) which is based on three elements i.e. value equity, relational equity and brand equity. Others have endeavored to rearrange the estimation of customer value and CLV, and gave a basic model which measures customer lifetime value in view of openly accessible information (Gupta & Lehmann, 2003; Gupta et al., 2004). In spite of the fact that their proposed measure empowers chiefs to ascertain CLV with negligible and general data, their model is liable to a few suppositions, for example, consistent edge rates after some time, steady standards for dependability after some time, and a vast length of undertaking.

In contrast to these models, another literature stream focussed on modelling customer equity and customer lifetime value (Reinartz & Kumar, 2003; Kumar & George 2007; Kumar

& Shah 2009). Always-a-share approach was applied by Kumar and Shah (2009) for developing a framework in order to estimate customer lifetime value. Their approach assumed that customers always remain associated with the firm and ever terminate their relationship. This seems to be very hypothetical assumption as customers can switch their loyalties towards other firms depending on their preferences and attitudes.

Considering all the methodologies talked about above as miniaturized scale models of CLV and customer value estimation, Lim & Lusch (2011) propose another system for estimating customer value at the large scale level. While all the small scale models of customer value depend on singular level customer information, the large scale model of customer value is a procedure display in light of the whole firm promptly accessible information in the standard budgetary explanations. To register customer value in light of smaller scale level models, getting to customers' value-based records and buy conduct is required which isn't openly available. Moreover, in a few ventures, for example, fast-food, where singular customers' data and buy history isn't recorded, singular level information does not exist. Tirenni et al. (2007) contend that directors in businesses, for example, carriers keep on guessing their customers' value, or incorrectly value them. Practically speaking there are endeavors to gauge customer value through dedication programs. Managing an account is plainly a "membership composes" business (Baumann, Elliott and Burton, 2012, p. 149) where the specialized organization has an unmistakable thought of the estimation of the relationship even without the dependability program. However, in the other two enterprises (carriers, and retail chains) exchanges are not generally effectively recognized to a specific customer. Dependability programs have been acquainted with move these "no-membership compose" organizations towards a "membership write" business with less demanding and more precise distinguishing proof of customer value and potential. In the meantime, numerous customers expend these administrations and stay undetected which recommends

that paying little mind to these dedication programs, genuine customer value remains a test to gauge and our paper is intended to add to make such estimation more exact.

Along these lines figuring customer value in view of a smaller scale base up approach, can be tricky since a lot of mystery is engaged in assessing the components, for example, standard for dependability and edge rate so as to process the estimation of a customer. Rather large scale models can be utilized as an elective strategy when singular customer information isn't accessible. The full scale model of customer value is reliable with the small scale approaches since it depends on deals edge and edge capitalization (Lim & Lusch, 2011). Such a large scale top down approach thinks about changes in an association's stock cost, and market an incentive to assess customer value, while miniaturized scale models utilize customer value to evaluate an endeavor reasonable worth.

2.5.3 Determinants of customer equity. Marketing literature has proposed different customer equity models, as mentioned in the above section, and there has been consensus on the factors which determine customer equity. Most of the authors have agreed that customer equity is determined by three factors, namely value equity, brand equity and relationship equity (Lemon et al., 2001; Rust et al., 2000, 2004; and Leone et al., 2006). These studies suggest that all drivers of customer equity operate independently as well as collectively. This implies that an improvement in customer equity drivers can lead to improvement in overall customer equity (Yuan et al., 2016). However, the other literature stream suggests that customer equity can be enhanced by customers' evaluation of the firm and its products in three ways. First, the value of the firm's products, second, relational factors of products, and third, the brand related issues (Rust, Zeithaml, & Lemon, 2000; Rust et al., 2004; Yuan et al., 2016). Contrary to this view, Lee et al (2014) reveals that firms must identify and recognize what causes customer switching behavior, customer retention, and acquisition of new

customers for enhancing customer lifetime value. In this regard, marketing literature has proposed three different frameworks for understanding customer equity, namely customer value management, brand management, and customer relationship management (Lee et al., 2014). This study has also measured customer equity in the perspective of these three drivers, i.e. brand equity, value equity and relationship equity.

Brand equity has been defined as the subjective appraisal of brand choices made by customers (Yuan et al., 2016). In more specific terms, brand equity represents the value added to the products and services of a firm as a result of resources and investments made in a company's marketing mix (Keller, 1993; Rust et al., 2004; Vogel et al., 2008). In this perspective, if customers assess a brand as unique, strong and desirable, they place high value for that brand (Verhoef et al., 2015). As brands provide additional values to products and services, branded items and services have higher values than non-branded ones. Yuan et al., (2016) also endorsed this idea that if brands are perceived favorably by customers, they are more likely to be preferred by them in comparison with those competitor brands.

The other driver, i.e. value equity represents the objective assessment of customers of the utility of products and services of a brand on the basis of cost and benefit analysis (Rust et al., 2004; Vogel et al., 2008; Yuan et al., 2016). In this perspective, the value refers to what customers seek from a specific product or service. Ulaga & Eggert (2003) suggest that value is often used interchangeably with a product specific value which is discussed in the exchange perspective of marketing. Value equity establishes when customers' expectations for products and services match their perceptions. Rust et al (2004) proposed the key components of value equity as quality of the product, its convenience in accessibility, price, availability, and ease of use. This suggests that value equity is a combination of all these factors attached to a product or service.

Finally, the relationship equity represents the tendency of customers to remain attached to a brand or to return to a brand regardless of subjective and objective assessments (Vogel et al., 2008). Researchers have placed higher value of relationship equity as adequate value and brand equity are often inadequate to hold customers for long time period (Yuan et al., 2016). Often customers evaluate products positively in objective and subjective terms; they may refuse to buy those products again for multiple reasons such as price, changes in preferences, and effective marketing offers from other brands (Oliver, 1999; Lemon et al., 2001). Therefore, it is important for marketers give higher importance to relationship development with customers as relationship equity acts as a glue to attach customers with the firms for long time period.

2.6 Parasocial Relationships and Customer Equity

Marketing literature has addressed the association between parasocial relationships and customer equity. Researchers have pointed that parasocial relationships are critical for customers' evaluation of brands, and also for value equity, brand equity and relationship equity (Blackston, 2000; Dwivedi & Johnson, 2013). Others have noted that constant and strong parasocial relationships can enhance customers' evaluations of the brands (Fournier, 1998; Lovelock, Patterson, & Walker, 2007; and Dwivedi & Johnson, 2013). Others are of the view that parasocial relationships are more likely to create strong, unique and favorable associations of brands in customers' minds (Sun, 2010), this enhance customer equity drivers i.e. value equity, brand equity and relationship equity.

Another literature stream has focussed on analyzing customer participation in marketing in perspective of two aspects, one as partial employee, and second as co-producer of the product or service (Yang & Peterson, 2004). With respect to web based promoting, nonetheless, the customary qualification of the two can't be exactly pertinent. The customer

in the online condition assumes the part not just of co-maker giving new ideas or proposing upgrades to an organization, yet in addition of fractional worker, performing exercises foreseen by an organization (Yang & Peterson, 2004).

The ways by which customers participate in marketing efforts of firms have been addressed by the widest number of researchers. For instance, Kellogg, Youngdahl, & Bowen (1997) suggested that customers often participate in marketing activities with the intention of getting better services from firms. They have categorized these activities into four types namely preparation for services, information exchange, relationship building, and service intervention. On the basis of their analysis, they suggested that customer participation in firm's marketing activities enhances drivers of customer equity, i.e. value equity, brand equity and relationship equity. In the same perspective, Suh, Kang, & Ahn (2010) characterized customer investment as a customer's part during the time spent administration creation as well as conveyance, proposing that customer cooperation exercises essentially enhance benefit quality and emphatically influence brand equity (Kim & Ko, 2012). Berry (2000) likewise suggested that customers acquire social advantages, for example, closeness, individual acknowledgment and fellowship as they fabricate associations with an organization. The social advantages offered by an organization make connections or connections with specialist co-ops as well as with different customers (Zeithaml & Bitner, 1996). On the other hand, Gwinner, Gremler & Bitner (1998) suggested that customers who are satisfied with the social benefits of products are more likely to develop positive attitudes towards the firm and are satisfied with its products. In this regard, Kim et al (2008) anticipated that participation of customers in the company's activities enhances customer equity in terms of value equity, relationship equity and brand equity. Moreover, Cho (2011) also suggested that a firm's brand equity, value equity and relationship equity have positive associations on word-of-mouth which is a determining factor for customer participation. This

implies that there exists a triangular association among customer equity, parasocial relationships and word-of-mouth.

Marketers spend huge money and effort in celebrity endorsements in order to develop strong parasocial relationships between consumers and celebrities for selling their brands. These parasocial relationships pave a way for consumers to form attachments with celebrities, and through these attachments, consumers align their behaviors and attitudes to those of celebrities. In this regard, consumer celebrity attachments shape their attitudes towards the media. Sun (2010) noted that the strength and valence of association between products and celebrities can decide attitudes of consumers towards products, and consumer-celebrity attachments. Others have suggested that consumers having strong parasocial relationships with media characters are more likely to change their behaviors and attitudes towards products in order to align their attitudes with media characters (Russell, Norman, & Heckler, 2004; Russell & Stern, 2006).

The parasocial relationships between consumers and celebrities in a social media context are somehow different. Ellison et al (2007) suggested that users are interested in developing offline connections with others across the world. As social networking sites allow users to develop easy connections with others, those who have parasocial relationships tend to have positive attitudes towards social media, which strengthens their connections (Boyd & Ellison, 2008). Multiple studies have been conducted to evaluate the association between consumer attitudes and customer equity. Researchers have noted that customer equity is critical for marketers to assess their marketing decisions, and also to develop and implement effective marketing strategies (Rust et al., 2004; Severt & Palakurthi, 2008). Researchers have also noted that marketers need to appreciate the value of customers and their attitudes in order to manage firms' investments (Blattberg & Deighton, 1996; Malthouse & Blattberg,

2005; (Sun, 2010), and also to allocate firms' resources in an effective way for promotions, advertising and selling operations (Rust et al., 2004). Another literature stream suggests that consumer attitudes have significant influence on customer equity in perspective on parasocial relationships, as consumer attitudes have a positive impact on drivers of customer equity (Kim, Ko, Xu, & Han, 2012).

On the basis of literature evidence, following hypothesis have been developed:

H1: There is a positive relationship between parasocial interactions and customer equity

2.7 Electronic Word of Mouth

The terms trust and suspicion have been defined differently in marketing literature. Kim, Kandampully & Bilgihan (2018) defined trust as the willingness of an individual to be vulnerable to the actions of another individual considering they believe that the other individual will perform specific actions important to the trustor, regardless of the ability of trustor to control or monitor the other party (Mayer, Davis, & Schoorman, 1995).

Early examinations looking at trust and doubt/doubt encircled the two as inverse closures of a solitary continuum develop (Mishler and Rose, 1997; Kim, Kandampully & Bilgihan, 2018). Be that as it may, the more present pattern is to investigate the theoretical contrasts amongst trust and doubt/doubt (Sitkin and Roth, 1993; Kramer and Cook, 2004). In the same perspective, Lewicki et al. (1998) contended that trust and doubt are not inverse finishes of a solitary continuum, but rather two isolated and related develops. In addition, they included that the passionate and intellectual states related to trust and doubt/doubt are altogether different. In addition to this, McKnight & Choudhury (2006) have suggested constructs related to trust such intentions to trust, trusting belief, and structural assurance

which differs from other distrust constructs predicting internet consumer behavior. Their outcomes demonstrated that trust constructs are more prescient when Internet customers see low to medium hazard, while doubt/doubt develops might be more prescient when Internet customers sense larger amounts of hazard (N'Goala & Morrongiello, 2014). It is important to note that electronic word-of-mouth is portrayed by vulnerability, namelessness, and the absence of customers' control, deft people may abuse these correspondences in ways that are unfavorable to the message beneficiary. Oppressive exercises (i.e., misleading and control) are moderately simple to execute by means of eWOM. For instance, Hausman et al (2014) suggested that online and social media consumers may perceive these dangers as huge. In the same manner, other affirmed that consumers' doubt might be a compelling variable in eWOM collaborations (Willemsen et al. 2012; Larson and Denton, 2014).

The way trust situations can be studied or examined has been explained by (McKnight & Chervany, 2002). They asserted that trust situations have three levels of study, i.e. dispositional trust, institutional trust and interpersonal trust. The dispositional trust refers to the tendency of an individual to trust others, whereas institutional trust represents the attitude of people towards the reliability of specific communication contexts. On the other hand, interpersonal trust represents the attitude of individuals to trust specific entity. Skepticism of individuals can vary across all these levels of trust which can also impact their decisions about brands.

According to Cognitive dissonance theory (CDT), cognitive dissonance takes place when a different condition exists simultaneously and when the choice is difficult for individuals (Festinger, 1957). Festinger, (1957) suggests that cognitive dissonance is an uncomfortable psychological which causes individuals' one condition to remove the other. Cognitive dissonance has been inspected in a wide range of settings crosswise over different

fields of the investigation. For instance, the part of psychological disharmony was analysed after the demonstration of picking between an arrangement of choices (post purchase dissonance), which is followed by an induced act that was against values of an individual (which refers to induced compliance situation by which individuals are forced to give positive feedback despite of negative view), and juggling between the two opposite cognitions (Hunt, 1970; Sweeney, Hausknecht, & Soutar, 2000; Spangenberg, Sprott, Grohmann & Smith, 2003; Shinnar et al., 2004). For instance, individuals know that smoking is dangerous, but they also believe that it may help them in improving mental health.

Within marketing literature, cognitive dissonance has been studied interchangeably with post purchase anxiety in customers, which is often associated with significant purchase decisions for which customers consider a number of alternatives (Cummings & Venkatesan, 1976). For instance, a customer who just bought a costly auto may encounter intellectual disharmony when they have an apprehension about the buyer and a reflection that an option could have been a superior decision.

Some marketing researchers have extended the application of cognitive dissonance theory beyond post purchase anxiety by elaborating its application in other contexts such as customers' perceptions of services (Oliver, 1997; O'Neil & Palmer, 2004; Zhang, Zhou, Kehoe, & Kilic, 2016). Their view depends on the thought that psychological disharmony can happen in a post purchase circumstance as well as at different phases of the utilization procedure. In this respect, O'Neil & Palmer (2004) demonstrated that administration, quality observations decay after some time, and that this wonder is identified with psychological discord which happens because of changing desires and discernments. They proposed customers' view of administration, quality change in view of the refreshed desires, distinguishing the part of psychological discord in the arrangement of administration

observations. In the current study, the same idea has been considered that the cognitive dissonance occurs when individuals face non-fitting cognitions and these cognitions are not confined to post purchase decisions and anxiety. For instance, a WOM message might be incongruent with a customer's current conviction and can lead the customer to encounter intellectual discord. In this way, this investigation characterizes subjective disharmony extensively as an awkward state coming about because of awkwardness in discernments. This approach permits the utilization of the hypothesis past post decision circumstances and examination of the part of cognitive dissonance in more extensive settings.

In light of this expansive definition, it is important for cognitive dissonance to occur that individuals face an insight recently presented is in strife with a current one. Since this examination investigates the part of psychological discord with regards to negative word-of-mouth, it is critical that existing beliefs or current cognitions of individuals have positive valence i.e. they evaluate a service provider positively for subjective disharmony to work. The operationalization of this condition is talked about later in the examination strategies segment.

A large number of studies have suggested that consumers go through different information processing techniques considering the message and their existing cognitions (e.g. Ha & Hoch, 1989). For instance, any kind of information which aligns with individuals' beliefs influences them to go through some heuristic information processing which ultimately allows them to make quick decisions as they have a subsequent set of information, and this decision making process takes less effort. Then again, customers looked with data that is conflicting with their current conviction will take part in scientific and efficient data preparing, thinking about all educational info. In view of earlier research, it is normal that customers confronting negative data conflicting with their conviction will participate in

methodical data handling that requires endeavors with respect to the customers, featuring the part of psychology.

Marketing literature has addressed the role of cognitive dissonance in the service industry in terms of the peculiar attributes of service industry which may lead consumers in deciding between cognitions (Soutar & Sweeney, 2003; Bawa & Kansal, 2008). On account of the exceptional qualities, for example, impalpability and fluctuation, buyers of administrations more often than not encounter an abnormal state of apparent dangers related with a buy of administrations when contrasted with merchandise (Nunes, Ferreira, de Janeiro, & Ramos, 2017). One procedure shoppers use to decrease the apparent dangers is to depend on referrals when they settle on a buyers choice. Along these lines, WOM has a tendency to impact by choices in the administration business, particularly when the administrations are high in qualification, quality (i.e., a quality difficult to assess even after utilization). For instance, guardians of a tyke, while picking a youngster mind specialist co-op, have a tendency to depend on WOM more than a publicizing claim made by the specialist co-op (Traylor & Mathias, 1983). If customers get word-of-mouth message aligned with their beliefs, they will not develop any cognition. On the contrary, if they get a word-of-mouth, which is inconsistent with their beliefs, it is more likely that cognitive dissonance will take place. In this respect, Bawa & Kansal (2008) suggested that the cognitive dissonance level is higher when credential quality of services is higher, as customers highly rely on the type of word-of-mouth while deciding between alternatives, and they also evaluate the quality before purchase and after purchase resulting in further cognitions. In view of earlier research, it is normal that customers will encounter an abnormal state of cognitive dissonance when new data presented is in strife with their current convictions, and when they tend to depend on others for acquiring data.

Past examinations (Aronson, 1968; Brehm & Cohen, 1962; Korgaonkar & Moschis, 1982) distinguished a few essential conditions for cognitive dissonance to work, particularly in a post purchase circumstance, for example, significance or irreversibility of the choice, accessibility of appealing choices, volition, and item inclusion. One specific condition this examination looks at with regards to a WOM circumstance is item association. Korgaonkar & Moschis (1982) demonstrate that for a result of high contribution (e.g., radio), customers' item execution assessment progress toward becoming acclimatized with their earlier desires, diminishing the hole amongst desires and execution. This finding is to help of intellectual discord hypothesis in that absorption endeavor are to decrease the error amongst desires and execution assessment, one of the systems used to diminish psychological disharmony. In this way, as per the investigation, setting customer desires high for a result of the high association isn't an awful system since execution assessment progresses toward becoming acclimatized with desires. Then again, similar creators found a contrary outcome for a result of low contribution (e.g., pop), that is, customers have a tendency to amplify the distinction amongst desires and impression of execution for this sort of item, and this is reliable with differentiated hypothesis. At the end of the day, for a result of low inclusion, low desires will prompt elite assessment. In light of earlier research, Kim et al., (2018) suggested that highly involved and satisfied customers experience high level of cognitive dissonance when they face a negative word-of-mouth about a product or service than those customers who are not satisfied with firms' products. This implies that negative word-of-mouth has differential impacts on customers on the basis of product type or their involvement level.

2.8 Skepticism in eWOM

Over the years, the term skepticism has been examined hypothetically and experimentally as an indicator of purchasers' recognitions and practices in marketing research

(Obermiller & Spangenberg, 1998; Darke & Ritchie, 2007; Hussain, Ahmed, Jafar, Rabnawaz, & Jianzhou, 2017). It is important to note that consumers have different perceptions and evaluation of the marketers' messages, so they place different levels of trusts for those marketers (Calfee & Ringold, 1994). In this manner, skepticism toward promotion may influence brand state of mind, brand convictions, and dependence on notice by affecting purchasers' intellectual procedure (Obermiller & Spangenberg, 1998). When buyers have been tricked by a false notice, it is more likely that they end up relationships with those sellers to be protective and become skeptical towards any message from those sellers regardless of the fact that the message is reliable and positive (Darke & Ritchie, 2007; Darke, Ashworth, & Ritchie, 2008, 2009).

The measurement of consumers; skepticism towards advertising has been researched by authors over the years. It has been studied as a uni-dimensional construct which relates to the perceived truthfulness of claims made by advertisers (Obermiller & Spangenberg, 1998). Contrary to this view, other researchers suggest that skepticism should be examined in two perspectives. They suggested that advertisers are often in situations to persuade consumers through biased messages as both have different interests in advertising messages. This literature stream has specifically addressed the issue of mistrust of advertisers to develop skepticism scale (Mohr, Eroğlu, & Ellen, 1998; Tan, 2002).

In the online setting, view of doubt created from associations with a particular substance can be summed up to other comparable elements (Pavlou & Gefen, 2004; Hussain et al., 2017). Hence, an Internet customer's observation toward at least one online vendor may fill in as an intermediary for shaping comparative recognitions toward the entire online trader group, specifically when consumers' perception is negative (Pavlou & Gefen, 2005). In the marketing literature, previous studies have suggested that online consumer skepticism

towards electronic mouth of communication can have significant impact on their online associations and interactions with brands (Sen & Lerman, 2007; Lee & Youn, 2009; Dou, Walden, Lee, & Lee, 2012; and Qiu, Pang, & Lim, 2012; Lee & Koo, 2015).

Often, online users have predisposition trust towards electronic word-of-mouth communication. This implies that individuals tend to trust other in an online setting, and it does not relate with suspicion or other indicators which may lead to negative attitudes (Sen & Lerman, 2007; Qiu et al. 2012; and Dou et al. 2012). On the other hand, Sen & Lerman (2007) separated the apparent eWOM senders' inspirations as 'coming clean' and 'not coming clean'. In any case, the creators did not expressly research unscrupulous and manipulative inspirations. Through research study, Qiu et al. (2012) revealed that how conflicting ratings and message valance may influence assessment of consumers about electronic word-of-mouth's credibility. They found that customers normally tend not to trust positive audits and suspect mysterious eWOM interchanges. The consequences of this examination inferred that the general suspicion toward eWOM influences buyers to trust negative audits more than positive surveys. Despite the fact that eWOM suspicion was recommended as an exceedingly powerful factor in study of Qiu et al. (2012), they have not investigated this specific term. They only focussed on evaluating perceived positively motivates of customers related with electronic word-of-mouth messages. On the other hand, Dou et al. (2012) addressed the issue that online users evaluate electronic word-of-mouth sources differently, and their evaluations can influence consumers' perceptions towards the credibility of the message. Their test recommended that if the expectation of the commentator appears to be bona fide, Internet customers will probably trust the survey and the related item specified in the audit. They have also examined that online users are often suspicious or doubtful about marketing intentions behind online word-of-mouth communication, thus they remain on the defensive side against

such persuasive messages. Be that as it may, they didn't test any manipulative intention in their investigation.

Also, Lee & Youn (2009) trusted that customers would be less influenced by surveys posted on business sites when contrasted with the audits posted on an individual blog or an autonomous item survey site. As opposed to the creators' desire, they found no distinction in customers' discernments in light of the diverse stages. This suggests Internet customers see all eWOM messages comparatively, paying little respect to the stage. From the doubt/doubt point of view, their investigation showed that Internet customers have detected the risk of survey control and they have built up a guarded disposition in that circumstance.

Another study was conducted by Sher & Lee (2009) who focussed on evaluating differences between high and low skepticism, and also about how consumers respond to quality and quantity of different online reviews and electronic word-of-mouth communication. They were of the view that highly skeptical consumers are less likely to assess electronic word-of-mouth message and their trust on their instincts, whereas consumers with low skepticism are more likely to get persuaded by electronic word-of-mouth communication. Moreover, from a methodological point of view, the creators estimated purchasers' skepticism simply after their trial control. This strategy might be hazardous in light of the fact that the members' levels of skepticism were possibly puzzled by the examination control.

Structural assurance alludes to the defensive lawful and specialized elements guaranteeing the security of leading different exchanges in a specific domain (McKnight, Choudhury, & Kacmar, 2002b). For early researchers, structural assurance is the focus point that may affect trust at different contexts (McKnight et al., 2002a, 2002b; Gefen, Karahanna, & Straub, 2003). Observational proof demonstrated that individuals feel sheltered and secure

in certain condition in light of the fact that there are existing powerful lawful, administrative, legally binding or administrative structures to avoid surprising and undesirable outcomes (Zhang, Ko, & Carpenter, 2016). Other researchers were of the view that lack of structural assurance may have significant influence on credibility of electronic word-of-mouth communication (Flanagin & Metzger, 2000). Later on, McKnight & Choudhury (2006) suggested that online users consider the internet environment, unreliable and unsafe when the structural assurance is low. In like manner, researchers contend that if Internet customers trust that the current eWOM specialized and legitimate confirmations are not as powerful as wanted, they may have more elevated amounts of eWOM wariness.

Dispositional trust in alludes to individuals' general assumptions about other individuals' reliability (McKnight & Chervany, 1996; McKnight & Chervany, 2002). Diverse individuals can have distinctive levels of dispositional trust in, making them pretty much liable to trust than others (Mayer et al. 1995; McKnight & Chervany, 2002). Dispositional trust has been conceptualized as a cross-logical, cross-situational normal for the trustor (Grabner-Krauter & Kaluscha, 2003; McKnight & Chervany, 1996). It is generally steady and not liable to be affected by various correspondence setting and confide in building systems in various exchanges (Grabner-Krauter & Kaluscha, 2003). In the vast majority of the eWOM circumstances, the personalities of the analysts are not unmistakable and the message beneficiaries don't have any related knowledge with the message sender. Along these lines, the general inclination of believing others may assume an imperative part on surveying the validity of other Internet customers' conclusions. As per McKnight et al. (2002a) and McKnight & Chervany (2002), dispositional trust impacts recognitions toward the correspondence setting (logical trust). Along these lines, it is trusted that on the off chance that somebody has larger amounts of dispositional trust in, he/she will probably trust outsiders and less suspicious toward mysterious suppositions on the Internet.

The term dispositional trust represents general expectations of individuals about other people's trustworthiness (McKnight & Chervany, 2002p; Zhang et al., 2016). It is important to note that different people may experience different levels of dispositional trusts which influence their likelihood to trust others in different ways (Mayer et al. 1995; McKnight & Chervany, 2002, Zhang et al., 2016). Researchers have proposed dispositional trust as cross situational, and cross contextual aspect of tractors (Grabner-Krauter & Kaluscha, 2003). In this regard, it remains stable and is less likely to be affected by different trust building practices and communication contexts. Within the online setting, specifically social media, the identities of users and reviewers remain hidden, and recipients of messages do not have any prior experience with senders. In this respect, the tendency of individuals to trust others can be a very critical factor in assessing internet users' credibility. This has been affirmed by previous studies that dispositional trust may influence consumers' perceptions towards contexts of communication (McKnight et al, 2002a, and McKnight & Chervany, 2002). Therefore, it is believed that individuals having higher levels of dispositional trusts are more likely to trust others and are less doubtful about the opinions of other online users.

2.9 Mediating Role of eWOM Skepticism

It is important for marketers to understand that WOM can play a very important role in customer decisions as it is a medium for customers to share their opinions, feedback and perceptions about products and services publicly or within their social circles. Previous studies have affirmed that 78% of customers consider recommendations from electronic word-of-mouth before buying products and services (Severi, Ling & Nasermodeli, 2014). Therefore, the significance of eWOM has become very important for academics and marketers to evaluate consumer buying behaviour. As eWOM can be positive or negative, and customers can be skeptical about different products, it can provide critical information to

marketers to understand consumer behavior in an online setting (Vahdati & Nejad, 2016). As far as the mediating role of eWOM is concerned, it has been noted by researchers that it can largely impact on consumer loyalty, purchase intentions and customer equity (e.g. Ebeid & Gadelrab; 2014 and Bataineh, 2015). On the other hand, Zhang, Law & Li (2010) were of the view that eWOM can have differential impacts on consumer purchase intentions and customer equity depending on the websites which provide different ways to customers to access reviews and feedbacks of other customers. This implies that consumer's communication perceptions and skepticism can influence the impacts of eWOM on their behavior and purchase intentions. This has also been affirmed by previous studies whether negative or positive, eWOM skepticism can be one of the critical factors in impacting brand image and customer equity (Jalilvand, some & Mahdavinia, 2012; Vahdati & Nejad, 2016).

In one of the earlier study by Thomas, Brunner & Opwis, (2006), it was found that technical knowledge, customer to customer perceptions and distrust towards new offers can influence the probability to recommend products to others. In the same way, Bambauer & Mangold (2011) have explained that consumer skepticism towards negative eWOM can largely influence brand equity. These results are consistent with findings of Vahdati and Nejad (2016) who suggested that consumers' perceptions towards eWOM can positively influence their purchase intentions and customer equity.

The concept of skepticism towards eWOM can be understood through attribution theory which elucidates how individuals develop their frame of mind to process information and take decisions. This theory suggests that there is strong motivation among individuals to process their surroundings and attribute different characteristics and assumptions to that environment (Weiner, 1995). This theory elaborates how information is gathered (how

customers exchange reviews online) and how a judgement is made (Fiske & Taylor, 1991). In this regard, it can be deduced that skeptical customers attribute specific characteristics to certain sources of information and make their decisions about a brand.

According to attribution theory, when individuals make attribution, they analysis environment and situation by making specific inferences, which go beyond information (identifies skeptical nature of individuals), about disposition of others and also about the external environment. When individuals make inferences, they often make it out of potential biases towards sources of information which implies that they have skepticism towards certain sources that may influence their decisions. In this regard, Ebeid & Gadelrab (2014) negative WOM containing negative information is often processed negatively (identifies skepticism) and influences consumers' buying decisions. In this respect, the main concern is how receiver of information processes the information through bias and cognitive distortion to take further decisions. This can be explained through propositions by Kelley (1967) who suggested two attributes i.e. external and internal. An internal attribute is the one when individuals think that the self is the main cause of an event (they infer that personal factors are responsible for a situation). On the other hand, when individuals perceive that a certain event is caused due to external factors or context, the attribute is said to be external. When an individual receives negative eWOM, he can be skeptical to communicate even when the brand has a favorable opinion from receiver's view point. On the other hand, consumer skepticism towards brand may influence him/her to rate a brand negatively even though the brand has positive attributes. Ebeid & Gadelrab (2014) have affirmed that eWOM is often associated with casual attribution which refers to cognition made by a receiver on negative information, and it ultimately influences consumers' buying decisions.

On the basis of literature on eWOM, customer equity and interactions between customers and brand representatives of social media, following hypotheses have been proposed:

H2: eWOM skepticism mediates relationship between parasocial interactions and customer equity

H3: There is a positive relationship between Parasocial Interactions and eWOM skepticism

H4: eWOM skepticism has a positive relationship with customer equity

2.10 Status of Online Shopping in Pakistan

Reports have revealed that there has been a tremendous increase in online shopping in Pakistan. As per one of the recent reports, there are more than 30 million internet users in Pakistan and it has been expected that online purchases would grow for 30 million (Times of Islamabad, 2016). These reports have specifically revealed that there is difference in online shopping purchases among male and female customers in Pakistan. The Ecommerce Report suggests that only 30% online shopping is done by female whereas 70% online shopping is done by male internet users in Pakistan (Times of Islamabad, 2016).

The global online shopping sites such as Alibaba, Amazon, and eBay have established their place in the international online market with their superior quality services. However, regardless of the international growth and appeal in this industry, the online shopping sector has not emerged as key player in Pakistan yet. As per one report, there are cultural aspects in Pakistan which restrict customers to do online shopping as they are more oriented towards traditional mode of shopping. Further, the concerns of misinformation, fraud and misrepresentation by online vendors also prevent customers to adopt online shopping mode in Pakistan (Tarar, 2017). Plenty of previous research in Pakistani context has focused on

factors contributing to online shopping (Chaudary, Nisar, & Rehman , 2014), barriers to online shopping (Rizwan, Umair, Bilal, Akhtar, & Bhatti, 2014), and overall customer behaviour towards online shopping while this research has comparatively ignored how interactions between customers and brands' representatives across social media channels can build customer equity. Therefore, it is critical research area for future researchers to investigate the issue regarding parasocial interactions and customer equity in social media context in Pakistan.

2.11 Conceptual Model

The framework proposed in the study will be based on a comprehensive literature review focusing on eWOM research, parasocial interactions and customer equity.

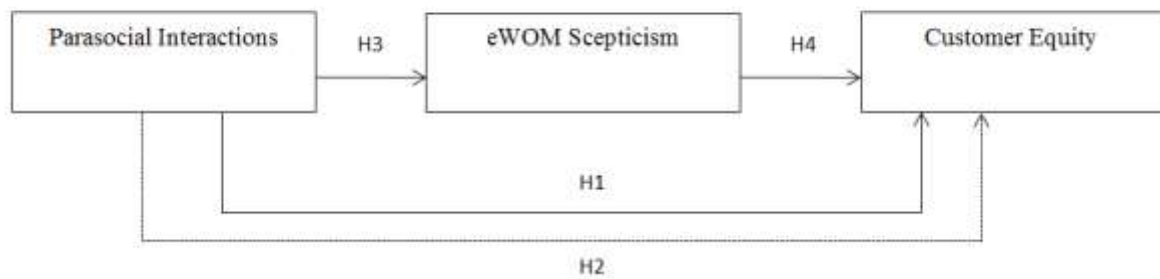


Figure 1: Conceptual Framework

3. Research Methodology

3.1 Introduction

Research methodology refers to the systematic process of resolving a problem through the use of specific methods and approaches (Daniel & Sam, 2011). This includes all procedures which are applied by researchers for explaining, describing and analyzing a phenomenon (Flick, 2011). It is very important for researchers describe relevant tools and techniques applied for analyzing a problem and also justify those techniques and tools in the light of research objectives so that a study can be conducted with a coherent approach. This research chapter overs detailed explanation and justification of all research methods, techniques and approaches applied to investigating the mediating role of electronic word-of-mouth skepticism towards relationship between parasocial interactions and customer equity in a social media context. Specifically, the contents of the chapter include research paradigm, research approach, methods, data collection process, data tools, sampling and data analysis techniques.

3.2 Research Philosophy

Research philosophy deals with the development, nature and source of knowledge which is created through specific investigative technique (Daniel & Sam, 2011). The aim of the research is to create knowledge or add up to existing knowledge which is justified through an appropriate selection of research methods and data tools. In specific terms, research philosophy reflects assumptions and opinions of the researchers on which foundation of research has been laid (Pruzan, 2016). Therefore, it is important for researchers to justify research strategy with the philosophical assumptions of the study.

For the current study, the researcher has chosen positivism philosophy to gain factual knowledge about the mediating role of electronic word-of-mouth skepticism towards relationship between parasocial interactions and customer equity in a social media context. Positivism deals with gaining factual knowledge through trustworthy measurements and quantifiable observations (Flick, 2011). The rationale behind choosing this philosophy for this study is that positivism ensures knowledge stemming from human experience. Positivism has allowed getting statistical evidence of relationship between parasocial interactions and customer equity in a social media context through quantifiable observations.

3.3 Research Approach

Research approach deals with decisions about making deductive or inductive decisions regarding hypothesis testing (Bryman et al., 2016). The deductive research approach is the one which tests the validity of previous theories, models and hypothesis, whereas inductive approach leads towards development of new theories on the basis of observations (Pruzan, 2016). For the current study, the researcher has chosen deductive approach to test hypothesis about the mediating role of electronic word-of-mouth skepticism towards relationship between parasocial interactions and customer equity in a social media context. This approach has allowed researchers to study cognitive dissonance theory and other theoretical assumptions on customer equity and parasocial interactions and develop hypotheses to test their validity within social media context of the current study.

3.4 Research Method

The decisions about the collection of data through qualitative or quantitative techniques are patronized under research methods. These two methods can be merged in mixed methods study to investigate an issue from different perspectives. Saunders et al

(2015) defined quantitative research methods as the one by which pre-determined aspects or hypotheses are tested and evaluated for generalizing results to a larger population. These methods entail the collection of numerical data in order to evaluate the relationship between deductive research and theory through the objective perspective of social reality (Pruzan, 2016). Using quantitative research methods, the researcher has gathered numerical data from large customer population regarding parasocial interactions with brands, eWOM and customer equity and evaluated statistical relationship between these variables. For implementing quantitative methods, the researcher has applied closed ended questionnaire which is appropriate to get numerical data from a large population.

For implementing qualitative research methods, interviews, focus group discussions, open ended questionnaires and experiments are used. As the current study has been targeted to a large population, data collection through above mentioned tools is not feasible. Furthermore, the purpose of the study is not to elaborate behaviors of customers rather to explain the statistical relationship between variables; hence, qualitative methods are not suitable for this research.

3.5 Data Collection Technique

3.5.1 Type of data. Data is of two types, primary and secondary. The primary data are the raw data which have not gone through any statistical treatment such as statistical or mathematical analysis (Daniel & Sam, 2011). As it is a real time data collected by direct or indirect interaction with research participants, its reliability and credibility is high (Flick, 2011). Moreover, it takes more time, cost and effort of researchers to collect primary data. Contrary to this, secondary data is the one which is gathered from existing published sources and has undergone through certain statistical or other forms of analysis (Pruzan, 2016). As this data has already been processed by earlier researchers, its credibility and reliability is

somehow lower than that of primary data. Common sources of secondary data include books, government publications, journal articles, websites and companies' records. Due to its availability in earlier records, collection of secondary data involves fewer efforts, time and low cost (Daniel & Sam, 2011).

For the current study, the researcher has applied both primary and secondary data for investigating customer equity in relation to eWOM and parasocial interactions. The rationale for using primary data is to gather real time information from customers of the brands about type of parasocial interactions they encounter, their attitude towards eWOM, and their behaviour towards customer equity. With this real time information, the researcher has become able to retrieve empirical evidence about mediating role of electronic word-of-mouth skepticism towards relationship between parasocial interactions and customer equity in a social media context. At the same time, secondary data is also critical for this research to study how earlier researchers have theorised relationship between parasocial interactions, customer equity and eWOM. This has helped in developing theoretical foundations of the study.

3.5.2 Primary data tools. The purpose of current research spins around customers who shop online; therefore, target population of the study is online customers of selected brands. As the target population of the study is very large and dispersed, questionnaire survey tool is the best option to gather data from this population in short duration.

There are a variety of options for applying survey tool in this study. For instance, surveys can be conducted through questionnaires or interviews. Interviews are mostly preferred when the target population is small and it is easy to approach them either personally or telephonically (Pruzan, 2016). Furthermore, interview surveys are more appropriate when research purpose is to get a detailed opinion from research participants instead of taking

answers on pre-determined scale. The purpose of this study is not exploratory rather descriptive, hence the interview technique is not appropriate to gather data from research participants.

For this study, the researcher has opted questionnaire tool to survey customers of selected brands about their opinion on the research variables. The survey tool is preferred where the researcher aims to collect data from a large population in short duration (Daniel & Sam, 2011). Further, it is also a flexible tool to gather information as a single questionnaire can be floated among a large number of research participants.

For investigating the research purpose, a close ended questionnaire has been adopted from previous studies. The questionnaire has two main parts where the first part investigates about research variables while the second part mainly focuses on getting information on demographics of research participants. Para-social interactions have been measured on the basis of five-point scale consisting of 17 items adopted from Gleitman & Gleitman (1997) and Koepfel et al (1993). Further, customer equity has been measured through five-point scale of 13 items which is adapted from Keller (1993) and Rust et al (2004). For eWOM skepticism, five-point scale has been adopted from Xiao et al (2016).

3.5.3 Secondary data tools. It is very important to gather important secondary data for developing strong theoretical basis of the research. For this research, secondary data from multiple sources has been gathered to develop a sound theoretical foundation of the study. Specifically, research articles, books, and conference papers have been referred in this study regarding parasocial interactions, customer equity and eWOM skepticism.

3.6 Sampling and Population

This study applied quantitative research technique which required questionnaire survey for collection of data from online customers of fashion brands in Pakistan. The target population of this study was composed of online customers of three major fashion brands of Pakistan including J. (Junaid Jamshed), Outfitters and Chenone. There are 2 million fans on Facebook page of Junaid Jamshed, 1 million on Outfitters and almost 675,000 on that of Chenone. This suggests that these brands have a very huge fan following on social media. The unit of analysis of this study comprises individuals who follow social networking sites of these brands. To target this population, online survey technique was adopted because it was easy to reach these customers online regardless of time restriction and their location. For selecting a sample from this population, researcher focussed on non-probability sampling technique because it would be impossible to get an adequate response rate through random sampling. Further, within non-probability sampling technique, convenience sampling has been chosen. Schonlau et al (2002) support this justification that this approach is appropriate as it is hard to access electronically connected population. As a rule of thumb, '10 respondents per item technique' was applied to calculate sample size (Velicer & Fava, 1998). The researcher has distributed 400 questionnaires and received 363 completely filled questionnaires. In this way, the response rate of this study was 91% ($363/400 \times 100$).

3.7 Data Analyses Technique

The data collected through survey has been analyzed statistically through SPSS. The reliability, validity, normality and correlational analysis have been performed through SPSS. For reliability analysis, Cronbach's alpha has been used in this study which determines the extent to which research measures are consistent to measure a single variable (Flick, 2011). Using SPSS, Cronbach's alpha has been calculated to evaluate consistency of research items and variables. The Cronbach's alpha varies from 0 to 1 in value. If its value is higher than

0.7, a measure is said to be reliable and used in study for measuring a variable (Daniel & Sam, 2011).

In order to test mediation, Sobel test has been applied to survey results. Furthermore, results have been discussed in detail in relation to literature review to evaluate whether the results of this study validate or contradict those of previous studies.

3.7.1 Confirmatory factor analysis (CFA). The confirmatory factor analysis is referred to as a multivariate statistical technique which is used to test how well the variables measured in the study represent the number of constructs. The exploratory factor analysis and confirmatory factor analysis look similar techniques, but there are differences between the two. In exploratory factor analysis, the data is explored in order to provide information about specific factors which are required to represent the constructs. Further, the measured variables in exploratory factor analysis are related with the latent variables. On the other hand, the confirmatory factor analysis specifies the number of factors which are required to measure a variable (Daniel & Sam, 2011). This is the tool which aims at confirming or rejecting the theory under measurement.

There are specific assumptions of confirmatory factor analysis which are important to be considered for performing this technique on data. First assumption is the multivariate normality of data. Second, it is important that there must be sufficient sample size of more than 200. Third, the prior model must be correct and lastly the data must be gathered from a random sample.

Through confirmatory factor analysis, the construct validity has been assessed. For this purpose, individual item loadings, and Average Variance Extracted (AVE) have been used to assess the convergent validity. As shown in the table 1, the measurement items have adequate convergent validity which is appropriate for measuring the model. The results

indicated that all items have factor loadings of more than 0.7 which is standardised value as recommended by Carmines & Zeller (1979).

The Average Variance Extracted (AVE) for all items range from .54 to .67 which is higher than the standardised value of 0.5 as recommended by Fornell & Larcker (1981). In order to measure the discriminant validity, the square root of AVE has been compared with the correlation among all variables as recommended by Fornell & Larcker (1981). It was found that square roots of the AVEs for all of the constructs were larger than the correlation between the constructs as shown in the diagonal row of table 3. This suggests that all constructs possess adequate discriminant and convergent validity.

Table 1: Measuring items

<i>Parasocial Interactions</i>	Loading	AVE**
Similarity (CR = 0.87)**		0.58
The Facebook advertising spokesperson gives product information that suits my personal style	.80*	
The Facebook advertising spokesperson provides product information that is reflected in my purchase decisions	.71*	
The Facebook advertising spokesperson provides product information that interests me	.73*	
The Facebook advertising spokesperson provides product styles that match my hobbies	.81*	
Using the Facebook advertising spokesperson is a good way to disseminate product information	.75*	
Attraction (CR =0.92)**		.62
The Facebook advertising spokesperson can supply new information effectively.	.71*	
I can get more messages from the Facebook advertising spokesperson	.78*	
I can get more information about new product features through the Facebook advertising spokesperson	.83*	
The Facebook advertising spokesperson makes me more satisfied with the product information	.81*	
The Facebook advertising spokesperson makes me more satisfied with the product service	.81*	
The Facebook advertising spokesperson helps me form a more positive attitude toward this brand as compared with advertising by other media.	.77*	
I recommend this Facebook advertising spokesperson for other product advertising	.79*	
I like to purchase this brand when I need a related product	.80*	

<i>eWOM scepticism</i>		
Structural Assurance (CR =0.86)**		.62
The Internet has enough safeguards to make me feel comfortable using it to transact personal business.	.87*	
I feel assured that legal and technological structures adequately protect me from problems on the Internet	.79*	
I feel confident that encryption and other technological advances on the Internet make it safe for me to do business there	.78*	
In general, the Internet is now a robust and safe environment in which to transact business		
The Internet has enough safeguards to make me feel comfortable using it to transact personal business.	.71*	
Dispositional trust (CR =0.89)**		.67
I generally trust other people.	.87*	
I tend to count upon other people	.81*	
I generally have faith in humanity	.85*	
I generally trust other people unless they give me reason not to	.76*	
<i>Customer equity</i>		
Value equity (CR =0.85)**		.59
This brand is priced appropriately according to its quality	.83*	
This brand is excellently designed	.80*	
The price is competitive to other brands	.75*	
This brand is easy to purchase	.71*	
Brand equity (CR =0.82)**		.54
This brand is attractive	.79*	
This brand is favourable	.71*	
This brand is well-crafted	.66*	
This brand is worth more than other brands.	.78*	
Relationship equity (CR =0.89)**		.63
This brand will provide what I want	.80*	
I feel intimately connected with this	.76*	
I know this brand well	.81*	
This brand matches my image	.78*	
This brand matches my style	.84*	
* significant at the 0.05 level		
** AVE = Average Variance Extracted		

3.7.2 Test of Multicollinearity. Collinearity occurs when there is high correlation between two or more independent variables which may cause problem in drawing conclusion of the study. Therefore, it is important to detect and remove multicollinearity issue. In order to detect issue of collinearity among variables, tolerance values and variance inflation factor values have been found in SPSS.

The proximity variable was found to cause issue of multicollinearity as the value of variance inflation factor (VIF) was higher than 5. Therefore, this dimension has been removed since it could impact the outcomes of the study. For the rest of variables, the value of variance inflation factor (VIF) is below 5, there is no multicollinearity among variables. Furthermore, the tolerance values are also higher than 0.1 which identifies that there is no problem of multicollinearity in this study as VIF and tolerance values are within acceptance range. Therefore, it is possible to conduct regression analyses for this study.

3.8 Ethical Concerns

It is very important to consider ethical issues while conducting a research. Ethical concerns become more important when data is collected from primary sources because researchers have to interact with participants. First of all, the researcher took verbal consent from all research participants who agreed to take part in the data collection process. They were not pressured or influenced to fill the questionnaire rather they were free to take decision on their own. Secondly, researcher did not take any measure which could harm research participants either emotionally or physically. Thirdly, the researcher explained about purpose of the study and usage of data to all participants so that there would be no ambiguity. Fourthly, all participants were taken into confidence that anonymous data would be collected which would not harm their privacy; furthermore, data would only be used for research purpose. A fair and transparent analysis of survey has been presented with evidence. Lastly, the researcher has cited all previous researchers whose work has been cited in this study.

4. Analyses and Results

4.1 Introduction

A survey was conducted with customers of fashion brands in Pakistan to evaluate the mediating role of eWOM skepticism in elaborating relationship between parasocial interactions and customer equity. This chapter has been focused on representing, interpreting and discussing results of a survey in a detailed and logical manner. Firstly, results of the survey have been represented in descriptive form. Further, results of correlation and regression analysis have been represented and discussed in the light of literature findings.

4.2 Descriptive Statistics of Demographics

Descriptive statistics are used to evaluate the character of the data, specifically of sample and measures used in this study. The data of 363 respondents have been analyzed and summary of their demographics has been presented in table 2.

The gender profile of the sample revealed that out of 363 respondents, 177 were males (49%) whereas 186 were females (51%). This implies that the contribution of female research participants is almost proportionate to that of male participants, thereby suggesting a fair sample selection.

The age profile of samples suggests that 8 respondents were under 15 years of age (2%) whereas 9 were between 36-46 years of age (3%). 31 respondents were in the age bracket of 15-20 years (9%) and 148 respondents were between 21-25 years of age (41% of the sample). The age bracket of 31-35 years comprised of 31 respondents (9%). 128 respondents lied in the age bracket of 26-30 years, making 35% of the sample. There were 9

respondents in the age bracket of 36-40 years (2%). The rest of respondents i.e. 8 were above 40 years of age (2%). This implied that results of the study mainly presented the opinions of respondents who are between 21-30 years of age.

Table 2: Descriptive Statistics of Demographics

Variables	Categories	Frequency	Percentage %
Gender	Male	177	49
	Female	186	51
Age	Under 15 years	8	2
	15-20 years	31	9
	21-25 years	148	41
	26-30 years	128	35
	31-35 years	31	8
	36-40 years	9	3
	Above 40 years	8	2
Occupation	Student	64	18
	Employed	230	63
	Retired	57	16
	Homemaker	12	3

Table 2 also identifies that 64 respondents were students (18% of the sample), and 230 of them were employed (63%). 57 respondents have retired from their services (16%) whereas the rest of them were homemakers (3%).

4.2.1 Descriptive Statistics, reliability and correlation between electronic word-of-mouth skepticism, parasocial interactions and customer equity. Table 3 presents descriptive statistics of dimensions of research variables, i.e. similarity, attraction, structural assurance, dispositional trust, value equity, brand equity and relationship equity along with their reliability and correlation. The results cover 363 observations. Total number of items in every dimension have also been listed. The mean value of variable ranges from 3.6 to 3.7 whereas the standard deviation value ranges from 0.50 to 1.

Table 3: Descriptive Statistics, reliability and correlation analysis

	<i>Mean</i>	<i>SD</i>	<i>PSA</i>	<i>CEV</i>	<i>CEB</i>	<i>CER</i>	<i>CE</i>	<i>SA</i>	<i>DT</i>	<i>eWOMS</i>	<i>PSS</i>	<i>PSI</i>
Gender	1.5	.50										
Age	3.5	1.0										
Occupation	2.0	.68										
PSA	3.7	.55	(.79)									
CEV	3.7	.73	0.17	(.77)								
CEB	3.7	.76	0.21	0.52	(.81)							
CER	3.6	.69	0.23	0.48	0.70	(.82)						
CE	3.7	.61	0.24	0.79	0.88	0.85	(.89)					
SA	3.6	.73	0.19	0.63	0.26	0.24	0.45	(.77)				
DT	3.6	.78	0.21	0.40	0.21	0.18	0.32	0.92	(.85)			
eWOMS	3.6	.74	0.21	0.52	0.24	0.22	0.39	0.98	0.98	(.91)		
PSS	3.6	.66	0.27	0.62	0.30	0.29	0.48	0.96	0.88	0.94	(.73)	
PSI	3.7	.48	0.76	0.52	0.32	0.33	0.46	0.76	0.72	0.76	0.84	(.78)

Note: N=363, PSA= Parasocial attraction; PSS= Parasocial similarity; SA= Structural assurance; DT= Dispositional trust; VE= Value equity; BE= Brand equity; RE= Relationship equity; CE= Customer equity; eWOMS= electronic word of mouth skepticism; PSI= Parasocial interactions, ** $p < .01$, *** $p < .001$

Table 3 presents Cronbach's alpha coefficients of all constructs which are higher than 0.7 suggesting that the items used for measuring the constructs of instrument are reliable. As all coefficients are higher than threshold score, no item had been removed. This implies that all items have high internal consistency.

The bivariate correlation analysis has been performed in order to measure the strength of the relationship between research variables, i.e. parasocial interactions, eWOM skepticism, and customer equity. The results of correlation analysis reveal that all these variables are correlated with each other with different extents. The table 3 reveals that parasocial interactions have a positive correlation to eWOM skepticism (evident by $r=0.76$, $p<.001$). However, there is a positive and strong correlation between parasocial interactions and customer equity ($r=0.46$, $p<.001$). Moreover, a positive correlation was found between customer equity and eWOM skepticism and customer equity ($r=0.39$, $p<.001$).

Correlation analysis between customer equity and dimensions of eWOM skepticism was also performed to see which dimension has a strong association with customer equity. Table 3 shows the results of correlation between customer equity and the dimensions of eWOM skepticism. The results reveal that customer equity and dispositional trust have significant correlation ($r= 0.32$, $p<.001$). On the other hand, structural assurance and customer equity were found to be correlated with a higher correlation coefficient ($r=0.45$, $p<.001$).

As parasocial interactions have strong correlation with customer equity (shown in the above sections), it was important to investigate with dimensions of parasocial interaction influences customer equity more than the other. For this reason, correlation analysis between dimensions of parasocial interactions and customer equity was performed. Table 2 also represents the results of correlations between dimensions of parasocial interactions and

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customer equity. It was found that similarity in parasocial interactions is highly correlated with customer equity with a correlation coefficient ($r= 0.48, p<. 001$). However, attraction in parasocial interactions was found to be least correlated with customer equity ($r=0.24, p<.001$). It can be interpreted that customers are more interested in developing interactions with brands on the basis of attraction and similarity of content shared by brands rather than just on the basis of attractive contents.

Correlation analysis was also performed between parasocial interactions and dimensions of eWOM skepticism. It was found that structural assurance has the highest correlation with parasocial interactions ($r=0.76, p<. 001$). This implies that when brands provide assurance about safety of content shared by customers, customers are more likely to build strong and long term interactions with brands. Further, dispositional trust was also found to be highly correlated with parasocial interactions ($r=0.72, p<.001$). This suggests that when customers have tendency to trust claims made by brands spokespersons they develop strong interactions with those brands.

4.3 Regression Analyses

Step 1: Regression analysis with parasocial interactions predicting customer equity

For analyzing whether parasocial interactions impact customer equity, regression analysis was run on SPSS. Table 4 represents the summarized results of this regression analysis for step 1. Overall, the regression model is significant ($p<.001$). This suggests that parasocial interactions in terms of similarity and attraction do impact customer equity in fashion brands in Pakistan. The model reveals that there is a 21 % variation in response in the population. Further, it also proves that one unit improvement in parasocial interactions causes 58% change in customer equity ($\beta =. 58, p<.001$).

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Table 4: Step 1 Regression Results

Predictors	Customer Equity (DV)		
	B	R ²	Adjusted R ²
	CE		
PSI	.58***	.21***	.21***

Note: N=363, PSI= Parasocial Interactions; Dependent variable: CE= Customer equity, *** $p < .001$

Step 2: Regression analysis with parasocial interactions predicting eWOM skepticism

The results of regression analysis with parasocial interactions predicting eWOM skepticism have been presented in table 5. The results reveal that parasocial interactions have significant impact ($p < .001$) on eWOM skepticism in the case of fashion brands in Pakistan. The model suggests that only 57% variation in response in the population. This identifies that customers are less likely to have skepticism towards eWOM even when they exhibit parasocial interactions with fashion brands in terms of similarity and attraction.

Table 5: Step 2 Regression Results

Predictors	eWOMS (DV)		
	B	R ²	Adjusted R ²
	eWOMS		
PSI	1.1***	.57***	.57***

Note: N=363, PSI= Parasocial Interactions; Dependent variable: eWOMS= eWOM Skepticism, *** $p < .001$

Step 3: Regression analysis with eWOM skepticism predicting customer equity

Next, regression analysis was performed with eWOM skepticism predicting customer equity. Table 6 represents the summarised results of this regression analysis for step 3. It can be seen that customer equity is impacted by eWOM skepticism within fashion brands in Pakistan ($\beta=0.32$, $p < .001$). This suggests that when customers have skepticism towards eWOM, their brand, relationship and value equity with fashion brands is impacted. This

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further suggests that customers having structural assurance and dispositional trust are more likely to trust brands and exhibit higher customer equity.

Table 6: Step 3 Regression Results

Predictors	Customer Equity (DV)		
	β	R ²	Adjusted R ²
eWOMS	.32***	.15***	.14***

Note: N=363, eWOMS= eWOM Skepticism, Dependent variable: CE= Customer equity
*** $p < .001$

Step 4: Regression analysis with parasocial interactions and eWOM skepticism predicting customer equity

Finally, regression analysis was performed with parasocial interactions and eWOM skepticism predicting customer equity. This regression was run to assess the mediation effect of eWOM skepticism between parasocial interactions and customer equity. Table 7 represents the summarized results of this regression analysis for step 4. The results revealed that parasocial interactions and eWOM skepticism both have a significant impact on customer equity ($p < .001$). Specifically, it was found that parasocial interactions have higher impact on customer equity ($\beta = .50$, $p < .001$). This suggests that when customers are skeptical about eWOM, parasocial interactions can play significant role in enhancing customer equity. These results imply that parasocial interactions can improve value, brand and relationship equity when customers have doubts about eWOM. Media representatives of brands on social media can play their role in reducing customer skepticism towards eWOM and enhance customer equity. It is important to note that the beta coefficient of parasocial interactions has decreased from 0.55 to 0.50 implying that eWOM skepticism has mediated this association. It can be interpreted in a way that eWOM skepticism enforces brand and customers to engage in parasocial interactions which ultimately enhances customer equity. When eWOM skepticism

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is taken into account, the impact caused by parasocial interactions on customer equity has decreased by 5% ($0.55 - 0.50 = 0.05$).

Table 7: Step 4 Regression Results

Predictors	Customer Equity (DV)		
	β	R ²	Adjusted R ²
	CE		
PSI	.50***	.21***	.21***
eWOMS	.17***		

Note: N=363, PSI= Parasocial Interactions, eWOMS= eWOM Skepticism, Dependent variable: CE= Customer equity, *** $p < .001$

4.3 Testing Mediation

In order to test mediation, Sobel test has been applied which was created by Sobel (1982). The formula for running Sobel Test is given below:

$$z = \frac{ab}{\sqrt{(b^2SE_a^2) + (a^2SE_b^2)}}$$

In this formula, a represents the regression coefficient for the association between independent variable (parasocial interaction) and mediator (eWOM skepticism), b represents the regression coefficient between a dependent variable (customer equity) and mediator (eWOM skepticism). SE_a represents the standard error of the relationship between the mediator and independent variable, whereas SE_b represents the standard error of the relationship between dependent variable and mediator. In order to get these values, regression analysis has been performed with independent variable (parasocial interactions) predicting mediator (eWOM skepticism) which provided values of a and SE_a . After this, regression analysis has been performed with independent variable and mediator predicting the

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dependent variable (customer equity) which provided values of b and SE_b . The results of the Sobel test have been presented in table 8.

Table 8: Statistics of Sobel Test

Indicators	
A	1.1
SE_a	.05
B	.17
SE_b	.05
t-Statistic	3.3***
Std. Error	0.05

Note: SE_a = standard error between mediator and independent variable; SE_b = standard error between dependent variable and mediator; a = regression coefficient independent variable and mediator; b = regression coefficient between dependent variable and mediator, *** $p < .001$

It is evident that the absolute value of the test statistic $|t| = 3.3$, is greater than the critical value of 1.96, so the null hypothesis is rejected and mediation of eWOM skepticism in parasocial interactions and brand equity is supported.

4.4 Hypotheses Testing

H1: There is a positive relationship between parasocial interactions and customer equity

In order to assess the relationship between parasocial interactions and customer equity, regression analysis and correlation analysis was run. It has been proved that there exists a positive and strong relationship between parasocial interactions and customer equity ($r = .46, p < .001$). Further, the regression analysis predicts that parasocial interactions impact customer equity with ($\beta = .58, p < .001$). This suggests that for every unit change in parasocial interactions, there is a change of 58% in customer equity which is very large. Hence, the given hypothesis is supported.

H2: eWOM skepticism mediates relationship between parasocial interactions and customer equity

The mediating effect of eWOM skepticism has been assessed through the Sobel test. For this purpose, regression analysis was run to get the value of a , SE_a , b , and SE_b . The direct effect of parasocial interactions on customer equity was found very high ($\beta=.58, p<.001$). It was found that introduction of a mediator (eWOM skepticism) in regression analysis decreases the impact of parasocial interactions on customer equity by ($\beta= 0.50, p<. 001$). This decreased indirect effect of mediator suggests that eWOM skepticism mediates the association between parasocial interactions and customer equity. As parasocial interactions have significant association with customer equity, without introduction of eWOM skepticism, the results prove partial mediation. Moreover, t-statistics of Sobel test are under rejection region ($t=-3.3, p<. 001$) which proves evidence of mediation between parasocial interactions and customer equity. Hence, the given hypothesis is supported.

H3: There is a positive relationship between parasocial interactions and eWOM skepticism

The relationship between parasocial interactions and eWOM skepticism has been evaluated through regression and correlation analysis. It has been found that parasocial interactions and eWOM skepticism have a very high association ($r=0.76, p<. 001$). This implies that parasocial interactions of customers with brands influence their skepticism towards eWOM. The extent of impact, parasocial interactions has on eWOM skepticism was determined through regression analysis. These results reveal that for unit change in parasocial interactions, customers' skepticism towards eWOM changes by 110%. This suggests that when brands have strong social media interactions with customers in terms of similarity and

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attraction, customers' skepticism towards eWOM is strongly impacted. Hence, the given hypothesis is supported.

H4: eWOM skepticism has a positive relationship with customer equity

The results of correlation analysis between eWOM skepticism and customer equity suggest that there is a positive association between the two variables ($r = .39, p < .001$). This implies that when customers exhibit skepticism towards eWOM, their brand, relationship and value equity is influenced. The regression analysis results between these two variables reveal that for every unit change in eWOM skepticism, customer equity changes by 32%. Hence, the given hypothesis is supported by data.

4.5 Discussions

This study was focused on evaluating the mediating role of electronic word-of-mouth skepticism in relationship between parasocial interactions and customer equity in the context of social media within fashion brands of Pakistan. In this section, detailed discussion on the results of study has been conducted in the light of literature findings. A questionnaire survey was used to gather data from customers of fashion brands who engage with social media channels of these brands. The statistical results of survey have revealed that customers' skepticism towards eWOM partially mediates relationship between parasocial interactions and customer equity. These results have confirmed that the relationship between parasocial interactions and customer equity is strengthened when eWOM skepticism is taken into account.

Social media is an interactive podium where customers and brands can engage with each other in a collaborative way for sharing information and building long term relations (Labrecque 2014). When customers engage with brands on different social media channels,

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they get more interactive and clear picture of what brands are doing, what they'll offer in future and what are their priorities for customers. This also provides a way for customers to provide feedback to brands about their priorities and preferences, thus enhancing customer equity (Yuan et al., 2016). This study has provided a theoretical understanding of how customers' skepticism towards electronic word of mouth may influence association between parasocial interactions and customer equity within social media context. As the use of social media has increased tremendously over the years, marketers are more interested to know how customer relationships work and impact market (Schramm & Knoll, 2015). In this respect, parasocial interactions on social media play a very important role for marketers to understand customers' opinions and perceptions about brands and also take further steps for building customer equity.

This study has provided theoretical as well as empirical explanation of how parasocial interactions and customer equity is mediated by customers' skepticism towards eWOM in a social media context. Specifically, this study establishes that parasocial interactions impact customer equity when interaction between customers and brands is based on similarity and attraction. When fashion brands establish parasocial interactions based on similarity and attraction, customer equity enhances in terms of relationship, value and brand aspects. It is important to note that social media is an interactive and open platform for everyone where people share information and reviews with others, thus product reviews are available publicly for potential and existing customers of the brands. Therefore, customers are more prone to information than ever before which can influence their decisions to continue buying decisions with a specific brand. Previous evidence has also confirmed that customers' exposure to different kinds of information may impact their decisions to buy a product (Schramm & Knoll, 2015). It is important for marketers to understand how positive or negative word of mouth on social media about a product can influence their relationships with customers and

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also to what extent customers are skeptical about electronic word of mouth. In the following section, researcher has discussed how parasocial interactions, customer equity and eWOM skepticism are related with each other in case of Pakistani fashion brands.

4.5.1 Parasocial interactions and customer equity. Parasocial interactions have been measured through similarity and attraction of content shared by brands on social media channels. The results of this study revealed that parasocial interactions have positive and strong correlation with customer equity ($r=0.46$, $p<.001$). This implies that when brands develop strong and close parasocial interactions with customers on social media, customer equity is more likely to be influenced in a positive way. Through parasocial interactions on social media, customers interact and develop long term relationships with brands in the long run. Through these interactions, customers get the opportunity to evaluate brand quality, value, and relationship. Therefore, this study confirmed that having parasocial interactions in terms of similarity and attraction influences value, brand and relationship equity. These results are aligned with previous studies which suggest that consistent and strong parasocial interactions influence brand equity (Dwivedi & Johnson, 2013; Dhaoui, 2014).

This study also found that individual dimensions of parasocial interactions, i.e. similarity and attraction have different levels of association with customer equity. Similarity was found to be highly correlated with customer equity ($r=0.48$, $p<.001$). This implies that when spokesperson on social media channels provide information customized to individuals' personal needs and interests, customer equity is likely to get enhanced. However, this study found that attraction of content on social media channels was least correlated with customer equity ($r=0.24$, $p<.001$). It can be interpreted that Facebook spokespersons of Facebook pages may not have created attractive content for customers to engage them resulting in low association with customer equity. When customers have provided information based on their

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needs and interests in an attractive manner on social media, they develop strong associations with brands resulting in higher customer equity. Social media is an interactive platform which can be used by brands in creating attractive contents to engage with customers in the long run. If customers are loaded with unnecessary, irrelevant and unattractive information, they will stop following those social media channels of brands to avoid irrelevant content. As a result, customer equity is likely to be dropped in such cases. It was found that dimension is more considered by fashion brands in developing parasocial interactions with customers, but attractive dimension is somehow ignored, which may divert customers' attention to other brands which engage customers with attractive information. In this way, customer equity is not strengthened. It has been proved by previous studies that effective, constant and strong parasocial interactions on social media result in higher customer equity (Labrecque, 2014; Yuan et al., 2016).

4.5.2 Parasocial interactions and eWOM skepticism. The internet is a public podium on which statements made by other internet users, organizations and groups are available to others. When customers engage with others on the internet, especially on social media, their shared information creates electronic word of mouth. Often customers are skeptical about the eWOM as received by other users. However, customers' personal interactions with brands on social media may influence their perceptions towards eWOM. Therefore, the researcher has investigated whether parasocial interactions influence customers' skepticism towards eWOM.

It was found that dispositional trust and parasocial interactions are highly correlated with each other ($r=.72, p<.001$). This implies that when customers and brands engage in parasocial interactions, they are more likely to believe on brands' spokespersons and develop positive relations with them. Even if customers have something negative dispositional trust about a

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brand, brands need to develop strong and constant interactions with them in order to wipe off that negative image. Having strong and constant interactions with customers may result in removing negative perceptions of customers about brands. On the other hand, dispositional trust of customers about certain brand may restrict them to engage with that particular brand. This study also confirms that parasocial interactions and dispositional interactions may influence outcomes of each other.

As internet is a public platform, individuals are often conscious about sharing information with others on the internet. While sharing some critical information, individuals need to be sure about safety and secrecy of the system and the other party (company) which receives information. Customers share information with others and also with brands when they are sure that information will not be misused. Hence, it is important for brands to consider aspects of structural assurance while developing parasocial interactions. This study found that structural assurance has a higher correlation with parasocial interactions ($r=0.76$, $p<.001$). This suggests that when customers have the assurance of safety and secrecy, they engage with brands on social media and share information with their spokespersons. If customers have doubts that social media pages of brands may misuse their personal information, they are less likely to engage with brands. As a result, weak parasocial interactions are created between customers and brands. Therefore, social media channels of brands need to take measures for creating high assurance on legal and technical grounds for developing long term relations with customers. These results have also been confirmed by previous studies which suggest that customers' doubts towards online word-of-mouth may influence their intentions to develop parasocial relationships with brands (Sher & Lee, 2009).

4.5.3 eWOM Skepticism and customer equity. When customers are skeptical about information they receive on social media, they develop a specific image of brands in their

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minds based on that information. Therefore, customers' skepticism towards electronic word of mouth may influence customer equity. This study found that dispositional trust and structural assurance have different levels of association with customer equity. Dispositional trust has a significant association with customer equity ($r=0.32$, $p<.001$). This suggests that when customers have a tendency to trust others, they also trust brands and develop long term relationships with them. However, on social media, dispositional trust of customers may influence them to trust what others say about a brand which may impact their decisions to purchase and engage with that brand in the long run. Dispositional trust on positive information is more likely to enhance customer equity, whereas dispositional trust on negative information may result in lower customer equity as customers will less likely to engage with brands about which they've received negative reviews. Therefore, marketers need to understand about customers' tendency to trust others in order to control the brand image in public. When marketers ignore this aspect, they fail to take measures for controlling brand image in the markets. This study also reveals that dispositional trust of customers influences customer equity. It has also been confirmed by previous researchers that dispositional trust about brands influences customers' intentions to buy (Chang et al., 2014).

Another dimension of eWOM was structural assurance which refers to availability of protective legal and technical expertise on social media for conducting transactions. This study found that structural assurance has a higher correlation with customer equity ($r=0.45$, $p<.001$). This implies that when customers are sure about legal and technical safety on social media, they are more likely to engage with brands and carry transactions with them. Online shopping in Pakistan has been at the early stages and brands are struggling to take measures to make sure customers about legal and technical safety. At the same time, customers face some level of uncertainty about whether online transactions and information sharing will be safe. In this way, it is important for brands to take measures for enhancing structural

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assurance in order to engage more customers. This study has provided evidence that fashion brands' structural assurance is positive which creates a positive and significant association with customer equity. Previous studies also confirm that structural assurances enhance customer equity (Chang et al., 2014; Munzel & Kunz, 2014).

4.5.4 Parasocial interactions, eWOM skepticism and customer equity. The main objective of the study was to investigate whether customers' skepticism towards eWOM mediates relationships between parasocial interactions and customer equity. The results of study indicate that eWOM skepticism partially mediates relationship between parasocial interactions and customer equity. This implies that there exists a significant association between parasocial interactions and customer equity even when there is no eWOM skepticism. In the absence of eWOM skepticism, parasocial interactions impact customer equity ($\beta = 0.58, p < .001$). However, when eWOM skepticism is taken into account, this β value decreases ($\beta = 0.50, p < .001$) suggesting that eWOM skepticism decreases association between these two variables. When customers are skeptical about what they hear on internet about a brand and they also interact with brand spokespersons on social media, they make their own analysis about the brand. If parasocial interactions with brands are strong and consistent, customers develop long term relationships with them resulting in higher customer equity. The eWOM can be positive or negative depending on the customer's experience, but it has been reported that consumers are more likely to share their positive experiences with social media rather than their negative experiences (Riivits-Arkonsuo and Leppiman, 2013). In this respect, positive eWOM in association with strong and constant parasocial interactions strengthens customer equity. However, customers' skepticism towards negative eWOM may result in the weakening association between parasocial interactions and customer equity. When brands develop strong interactions with customers on social media, it leaves positive and favorable image in customers' memory which they retrieve while making buying

decisions with brands. Previous studies have also confirmed that parasocial interactions impact on customers' brand evaluation, brand value, brand equity and relationship equity (Dwivedi & Johnson, 2013; Schramm, 2016).

5. Conclusion and Recommendations

5.1 Conclusion

In current dynamic and competitive business era, it has become very challenging for marketers to manage interactions with customers as plenty of information is available on the internet in terms of electronic word of mouth. As customers are prone to a variety of information from other internet users, and also from brand representatives, it has become difficult for them to decide about associating with a particular brand. Marketers are interested in evaluating how particular interactions with customers; and also how customer to customer interactions influences customer equity. This study is conducted to analyze the mediating role of electronic word-of-mouth skepticism in relationship between parasocial interactions and customer equity in the context of social media within fashion brands of Pakistan.

This study has used quantitative research technique to gather data from fashion brands of Pakistan mainly J. (Junaid Jamshed), Outfitters and Chenone. Through non-probability sampling technique, a sample of 400 online customers of these brands is selected which gave a response rate of 91%. The online questionnaire tool is used to gather data from customers. The results are statistically analyzed through regression analysis technique.

Through statistical analysis, it is found that eWOM skepticism, customer equity and parasocial interactions are significantly correlated with each other. It has been proved that parasocial interactions have a positive correlation to eWOM skepticism ($r=0.76$), and positive

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and strong correlation was found between parasocial interactions and customer equity ($r=0.46, p<. 001$). The study also confirms a significant correlation between customer equity and eWOM skepticism ($r=0.39, p<. 001$). Therefore, it is concluded that changes in parasocial interactions and eWOM skepticism can influence outcomes of customer equity in fashion brands of Pakistan. Therefore, there could be evidence that eWOM skepticism mediates relationship between parasocial interactions and customer equity.

Through regression analysis, it has been concluded that parasocial interactions impact customer equity in fashion brands of Pakistan as overall model was found to be significant. It has been concluded that there is a 21 % variation in customer equity is due to parasocial interactions of customers within fashion brands. This concludes that there is a direct relationship between parasocial interactions and customer equity is significant ($\beta=. 58, p<. 001$).

The mediation analysis has been tested through Sobel test which was found positive, concluding that customer skepticism towards electronic word of mouth partially mediates relationship between parasocial interactions and customer equity. It has been found that introduction of a mediator (eWOM skepticism) in regression analysis declines the impact of parasocial interactions on customer equity by 5% ($\beta= 0.58 - .50$). This declined indirect effect of mediating suggests that eWOM skepticism mediates the association between parasocial interactions and customer equity. Moreover, the outcome of the Sobel test was significant which proved mediation. The statistical analysis has confirmed that all hypotheses of study are supported.

On the basis of these findings, it has been concluded that when eWOM skepticism is taken into account, the association between parasocial interactions and customer equity is strengthened, though it is already there even if there is no mediator which proves evidence of

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partial mediation. This concludes that interactions of brands with customers are important for social media marketers to build long term associations and enhance customer equity. However, these brands are also vulnerable to certain negative messages by competitors or wrong assumptions about customers which may give rise to negative word of mouth. In such cases, customers' skepticism to electronic word of mouth can influence brand equity even when they have interactions with these brands in social media. This identifies that customers' skepticism towards electronic word of mouth is significant for social media marketers to see how it impacts customer equity.

5.2 Research Limitations

This research has been conducted with an aligned and coherent methodology while considering certain limitations. Following are the limitations of the study:

The study focused on fashion brands of Pakistan only with three brands. Hence, the findings of this research are confined to those three brands and do not apply to the overall fashion industry of Pakistan.

The results of the study depend on a small sample which is selected through non-probability sampling technique. Therefore, it is less likely to generalize findings of this research to large population who uses social media networking sites of fashion brands.

This study is based on quantitative research technique which uses a close ended questionnaire tool for data collection. The findings do not refer to explanatory and detailed answers of research participants.

5.3 Future Research Directions

Considering the research limitations, the results of this study have provided multiple directions for future researchers. First, the results of this study can be extended to other fashion brands of Pakistan by taking a sample from more brands. Second, the generalisability of results can be enhanced if future researchers take a large sample of these brands through random sampling technique. This will provide more robust and generalized findings of the study. Finally, future researchers can extend this research by including more factors such as behavior, attitudes and demographics of customers to see whether these factors influence customer equity with mediating role of electronic word of mouth skepticism.

5.4 Managerial Implications

The results of this study are significant from a managerial perspective of fashion brands as marketing managers can incorporate important details in their social media marketing campaigns to improve outcomes and customer equity. As the study proved that electronic word of mouth skepticism partially mediates association between parasocial interactions and customer equity, marketing managers can take steps to minimize customers' doubts and suspicions regarding social media campaigns of brands. They can develop social media campaigns in customized and more personalized way to cater interests and preferences of audiences. Furthermore, social media marketers should also enhance similarity aspects while building relationships with customers as customers are more interested in these aspects than attractive messages and offers. Moreover, social media managers need to put more focus on developing constant and strong interactions with customers to build their trust on brands in order to improve customer equity.

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Appendices

Appendix 1: Questionnaire

Dear Respondent,

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In partial fulfilment of the requirements for the research degree, I have been conducting a research to find the mediating role of electronic word-of-mouth skepticism towards relationship between parasocial interactions and customer equity in the social media context with specific focus on fashion brands in Pakistan. You're requested to fill this questionnaire by considering your experience with social media pages of fashion brands you've been following. As the survey requires anonymous response, I assure you that your data will only be used for academic purpose. Taking into account the given scale, please answer all questions. Your cooperation will be highly appreciated.

Regards

Serial #	Scale	Strongly Disagree, Disagree, Neutral/Indifferent, Agree Strongly, Agree				
		1	2	3	4	5
	<i>Para-social Interactions</i>					
	<u>Similarity</u>					
PSS1	The Facebook advertising spokesperson gives product information that suits my personal style	1	2	3	4	5
PSS2	The Facebook advertising spokesperson provides product information that is reflected in my purchase decisions	1	2	3	4	5
PSS3	The Facebook advertising spokesperson provides product information that interests me	1	2	3	4	5
PSS4	The Facebook advertising spokesperson provides product styles that match my hobbies	1	2	3	4	5
PSS5	Using the Facebook advertising spokesperson is a good way to disseminate product information	1	2	3	4	5
	<u>Attraction</u>					
PSA1	The Facebook advertising spokesperson can supply new information effectively.	1	2	3	4	5
PSA2	I can get more messages from the Facebook advertising spokesperson	1	2	3	4	5
PSA3	I can get more information about new product features through the Facebook advertising spokesperson	1	2	3	4	5
PSA4	The Facebook advertising spokesperson makes me more satisfied with the product information	1	2	3	4	5
PSA5	The Facebook advertising spokesperson makes me more satisfied with the product service	1	2	3	4	5
PSA6	The Facebook advertising spokesperson helps me form a more positive attitude toward this brand as compared with advertising by other media.	1	2	3	4	5
PSA7	I recommend this Facebook advertising spokesperson for other product advertising	1	2	3	4	5
PSA8	I like to purchase this brand when I need a related product	1	2	3	4	5
	<i>eWOM skepticism</i>					

MEDIATING ROLE OF eWOMS on RELATIONSHIP BETWEEN PSI and CE

	<u>Structural Assurance</u>	1	2	3	4	5
SA1	The Internet has enough safeguards to make me feel comfortable using it to transact personal business.	1	2	3	4	5
SA2	I feel assured that legal and technological structures adequately protect me from problems on the Internet	1	2	3	4	5
SA3	I feel confident that encryption and other technological advances on the Internet make it safe for me to do business there	1	2	3	4	5
SA4	In general, the Internet is now a robust and safe environment in which to transact business	1	2	3	4	5
	<u>Dispositional trust</u>	1	2	3	4	5
DT1	I generally trust other people.	1	2	3	4	5
DT2	I tend to count upon other people	1	2	3	4	5
DT3	I generally have faith in humanity	1	2	3	4	5
DT4	I generally trust other people unless they give me reason not to	1	2	3	4	5
	<u>Customer equity</u>	1	2	3	4	5
	<u>Value equity</u>	1	2	3	4	5
CVE1	This brand is priced appropriately according to its quality	1	2	3	4	5
CVE2	This brand is excellently designed	1	2	3	4	5
CVE3	The price is competitive to other brands	1	2	3	4	5
CVE4	This brand is easy to purchase	1	2	3	4	5
	<u>Brand equity</u>	1	2	3	4	5
CBE1	This brand is attractive	1	2	3	4	5
CBE2	This brand is favourable	1	2	3	4	5
CBE3	This brand is well-crafted	1	2	3	4	5
CBE4	This brand is worth more than other brands.	1	2	3	4	5
	<u>Relationship equity</u>	1	2	3	4	5
CRE1	This brand will provide what I want	1	2	3	4	5
CRE2	I feel intimately connected with this	1	2	3	4	5
CRE3	I know this brand well	1	2	3	4	5
CRE4	This brand matches my image	1	2	3	4	5
CRE5	This brand matches my style	1	2	3	4	5

Please fill/tick (✓) the following with appropriate answers

1. **What is your age?** _____
2. **Gender:** Male Female
3. **Occupation:** _____

Thank you for your cooperation

Appendix 2: Regression Analysis with Parasocial Interactions Predicting Customer Equity

Model Summary

Model R	R Square	Adjusted R Square	R	Std. Error of the Estimate

MEDIATING ROLE OF eWOMS on RELATIONSHIP BETWEEN PSI and CE

1	.462 ^a	.213	.211	.54673
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a. Predictors: (Constant), PSI

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.251	1	29.251	97.859	.000 ^a
	Residual	107.906	361	.299		
	Total	137.157	362			

a. Predictors: (Constant), PSI

b. Dependent Variable: CE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.546	.221		7.000	.000
	PSI	.584	.059	.462	9.892	.000

a. Dependent Variable: CE

Appendix3: Regression Analysis with Parasocial Interactions Predicting eWOM skepticism**Model Summary**

Model R	R Square	Adjusted R Square	R Std. Error of the Estimate
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MEDIATING ROLE OF eWOMS on RELATIONSHIP BETWEEN PSI and CE

1 .757^a .573 .572 .48719

a. Predictors: (Constant), PSI

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.896	1	114.896	484.067	.000 ^a
	Residual	85.686	361	.237		
	Total	200.582	362			

a. Predictors: (Constant), PSI

b. Dependent Variable: eWOMS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.654	.197		-3.326	.001
	PSI	1.158	.053	.757	22.002	.000

a. Dependent Variable: eWOMS

Appendix 4: Regression Analysis with eWOM Skepticism Predicting Customer Equity

Model Summary

Model R	R Square	Adjusted R Square	R Std. Error of the Estimate
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MEDIATING ROLE OF eWOMS on RELATIONSHIP BETWEEN PSI and CE

1	.387 ^a	.150	.148	.56831
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a. Predictors: (Constant), eWOMS

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.563	1	20.563	63.667	.000 ^a
	Residual	116.595	361	.323		
	Total	137.157	362			

a. Predictors: (Constant), eWOMS

b. Dependent Variable: CE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	2.547	.149		17.093	.000
	eWOMS	.320	.040	.387	7.979	.000

a. Dependent Variable: CE

Appendix 5: Regression Analysis with Parasocial Interactions and eWOM Skepticism Predicting Customer Equity**Model Summary**

Model	R	Adjusted R Square	Std. Error of the Estimate
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MEDIATING ROLE OF eWOMS on RELATIONSHIP BETWEEN PSI and CE

1	.465 ^a	.217	.212	.54633
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a. Predictors: (Constant), eWOMS, PSI

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.707	2	14.853	49.765	.000 ^a
	Residual	107.451	360	.298		
	Total	137.157	362			

a. Predictors: (Constant), eWOMS, PSI

b. Dependent Variable: CE

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.593	.224		7.113	.000
	PSI	.500	.090	.395	5.535	.000
	eWOMS	.173	.059	.088	1.236	.217

a. Dependent Variable: CE