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The impact of social media marketing on brand loyalty

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Abstract

Building and maintaining brand loyalty are one of the central themes of research for marketers for a very long time. Marketers have utilized various means to maintain the brand loyalty of their customers. One of the recent means is the social media marketing. The aim of this study is to identify the effect of social media marketing on brand loyalty of the consumers, given that the concept is receiving increasing attention from marketing academia and practitioners. The scope of the study consists of customers who follow at least one brand on the social media in Turkey and the data were collected through the administration of a structured questionnaire with a sample of 338 people and tested via stepwise multiple regression analysis. The results of the study showed that brand loyalty of the customers is positively affected when the brand (1) offers advantageous campaigns, (2) offers relevant content, (3) offers popular contents, (4) appears on various platforms and offers applications on social media; were used by using SPSS 17.0 version. Customers prefer to share music, technological-related, and funny contents on social media platforms. Based on our results, this study can be considered as a pioneer in this new area of marketing, and propose several tactics for the practitioners.

Keywords: social media marketing; brand loyalty; content; promotion

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1. Introduction:

Building and maintaining brand loyalty are one of the central themes of research for marketers for a very long time (i.e, Oliver, 1997; Chaudhuri and Halbrook, 2001; Bennett and Rundle-Thiele, 2002). Brand loyalty can be conceptualized as the final dimension of consumer brand resonance symbolizing the consumer's ultimate relationship and level of identification with a brand (Keller, 2008). As brands gain exclusive, positive, and prominent meaning in the minds of a large number of consumers, they become irresistible and irreplaceable, and win the loyalty of the consumers. Brand loyalty, in return, brings sales revenues, market share, profitability to the firms, and help them grow or at least maintain themselves in the marketplace (Keller, 2008; Aaker, 1991, Kapferer, 1997).

Marketers have utilized various means to maintain the brand loyalty of their customers, including brand elements, classical marketing mix variables, and new methods of marketing such as events, sponsorships, one-to-one marketing activities, Internet marketing and social media marketing (Keller, 2008; Kotler and Keller, 2007). The aim of this paper is to focus on the latter mean of building brand loyalty, social media marketing, defined as the process that empowers individuals to promote their websites, products, or services through online social channels and tap into a much larger community that may not have been available via traditional channels (Weinberg, 2009, p:3). More specifically, the paper tries to identify the effect of social media marketing on brand loyalty of the consumers, given that the concept is receiving increasing attention from marketing academia and practitioners (Zarella, 2010; Kaplan and Haenlein, 2009; McKee, 2010; Coon, 2010) .

The context of the research is chosen as Turkey, since the country has reached a 41.6% Internet penetration rate with approximately 30 million people using it (TUIK, 2010). The country is ranked 12th among the rest of countries in the world in terms of the Internet usage. Additionally, according to the average hours of the Internet usage per visitor per month statistics among the countries throughout the world, Turkey has the 5th place with an average of 33.9 hours (Read, 2010). Surprisingly, the Turkish people spend more hours on the Internet than do the inhabitants of most of the developed countries such as the United States, the United Kingdom and France. According to the TUIK's statistics (2010) it is seen that the Internet was used most of the time for sending and receiving e-mails with a percentage of 72.4 %, reading online news and newspapers (70%), and real time communication with others (57,8%). In terms of social media usage, it is seen that Facebook is the most commonly used social media site in Turkey, followed by Twitter, Stumbleupon, Youtube and FriendFeed (STATCOUNTER, 2011; Google Trends, 2011). Facebook exerts a 90% penetration among the Internet users in Turkey, who is ranked the 5th among all the countries in the world based on the number of Facebook users. Although there are some slight changes, social media usage statistics and habits in Turkey are very similar to the rest of the countries where social media is actively used (Belleghem, 2011; Online Marketing Trends, 2012; SocialBakers, 2012). Given these statistics and information, Turkey provides a valid platform to study social media and come up with generalizable results.

2. Literature Review and Hypothesis Building

Safko and Brake (2009, s.6) define social media as "activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media". According to Robinson (2007) social media are the tools used for communication

that have Web 2.0 attributes – that is, they are participatory, collaborative, have knowledge sharing and user-empowering tools available on the Web. As an effective use of time and resources, social media marketing give companies better communication grounds with the consumers to build brand loyalty beyond traditional methods (Jackson, 2011; Akhtar, 2011). A study by Info-graphics puts forward that at least half of Twitter and Facebook users say they have become more likely to talk about, recommend or purchase a company's products after they began engaged with the company on social media (Jackson, 2011). Businesses can promote products and services, provide instant support, and/or create an online community of brand enthusiasts through all forms of social media such as social networking sites, content communities, virtual worlds, blogs, microblogging sites, online gaming sites, social bookmarking, news sites, forums and more (Zarella, 2010; Kaplan and Haenlein, 2009; Weinberg, 2009). Additionally, social media enables consumers to share information with their peers about the product and service brands (Stileman, 2009; Mangold and Foulds, 2009). These conversations between the peers provide companies another cost effective way to increase brand awareness, boost brand recognition and recall, and increase brand loyalty (Gunelius, 2011).   Thus, it can be said that social media helps firms to build brand loyalty through networking, conversation, and community building (McKee, 2010).

Social media marketing is different than traditional methods of marketing; therefore, it requires special attention and strategy building to achieve brand image and loyalty. Social media marketing is related to relationship marketing, where the firms need to shift from "trying to sell" to "making connections" with the consumers (Gordhamer, 2009). Companies also need to keep away from "big campaigns" and stick with "small acts" since some small campaigns can easily reach lots of people and accomplish the objectives in a very short period of time (Coon, 2010). Social media marketing is also more sincere in its communication with the consumers, trying to show what the brand is rather than trying to control its image. Finally, today's customers are more powerful and busy; therefore, companies should be reachable and available in every social media communication channel such as Facebook, Twitter, Blogs, Forums at any time (Gordhamer, 2009).

Staying competitive in today's fast moving business landscape requires a solid social media strategy. Companies hire social media experts and consultants to decide on content and characteristics of their offers and activities in social media environments so that the hearts and minds of the consumers are captured and brand loyalty follows (Coon, 2010). Within this perspective, the aim of this paper is to shed light on consumer perspective on the social media effects on brand loyalty so that implications can be drawn for firms to compose effective social media marketing activities for their brands. Research by eMarketer has shown that consumers go to social media sites to keep up with a brand's products and promotional campaigns (Mangold and Foulds, 2009; Leggat, 2010). For example, Pepsi and Coca-Cola both applied online customer loyalty programs to engage customers by offering special promotions, free mp3 downloads, CD's and so on (Mangold and Foulds, 2009). Additionally, customers view social media sites as a service channel, where they can engage on real-time bases with the businesses (Leggat, 2010). However, consumers prefer to see updated content on social media. Thus, Google has changed the algorithm of their search system to enable customers to see the updated content first (Freidman, 2011). Customers who are exposed to plenty of brand messages on social media platforms filter out the content that is not relevant to them (Brito, 2011). Therefore, providing relevant and updated content is one of the most crucial strategies to manage a brand on social media successfully. Popularity of the social media platform and the content among friends is another important reason for the customers to be engaged with brands on social media. Since there are plenty of social media platforms and it is impossible to involve in

all of them, marketers should analyze their target audience and decide to participate in the most effective platforms to communicate with them. In addition, providing mobile applications allow customers to engage with the brand everyday and create brand loyalty (Kim and Adler, 2011). Thus;

H1: Brand loyalty of the customers is positively affected when the brand offers advantageous campaigns on social media.

H2: Brand loyalty of the customers is positively affected when the brand offers relevant contents on social media.

H3: Brand loyalty of the customers is positively affected when the brand frequently updates its contents on social media.

H4: Brand loyalty of the customers is positively affected when the brand offers contents that are popular among the friends on social media.

H5: Brand loyalty of the customers is positively affected when the brand appears on various platforms and offers applications on social media.

3. Data Collection and Methodology

Data was collected through the administration of a structured questionnaire with a sample of 338 people who were social media users, and followed at least a brand on social media platforms. Two filter questions were employed to make sure that the respondents qualified to be included in the research. One question asked whether the respondent was using social media more than once in a week. Another question asked whether the respondent followed at least one brand on social media. If the answers to both of the questions were positive, then the respondent was given the questionnaire. The sample consisted of 62% male and 38% female. The average age of the sample was 26. About 60% of them had undergraduate or graduate level of education. 42 % were still students.

The questionnaire was developed to measure brand loyalty, reasons to follow brands on social media, and content categories shared on social media Brand loyalty was adopted from Lau and Lee's (1999) study with five elements, which grouped under one factor with an explained variance of 71% (KMO measure= 0.968, Bartlett's test of sphericity= 980.786, p<0.05). The elements under brand loyalty measure included intention to interact more with the brand, intention to increase sales from the brand, trust towards the brand, intention to get interactive with other brands through social media, and intention to recommend the brand to friends. The questions to measure reasons to engage brands on social media were drawn from the literature review (Mangold and Foulds, 2009; Leggat, 2010; Freidman, 2011; Brito, 2011; Kim and Adler, 2011). The items included advantageous campaigns, relevancy of the content, frequent update of the contents, popularity of the content among other users and friends, and variety of platforms and applications provided on social media. In addition, the content categories scale was formed based on the Smith's Social Media Report (Smith, 2009) and the category types of the video, picture, and document sharing web sites.

4. Findings

The hypothesized relationships were tested using stepwise multiple regression analysis. First of all, zero-order correlations among the study variables were examined to understand the relationships between them. Taking into consideration brand loyalty, advantageous campaigns, and relevancy of the content had the highest the correlations with it in respective order. The stepwise multiple regression results were displayed in Table 1. Advantageous campaigns, relevancy of the content, popularity of the content among other users and friends, and variety of platforms and applications provided on social media were capable of significantly explaining 38% of the variance in brand loyalty. In other words, advantageous campaigns (standardized regression coefficient/ β= 0.350, p<0.05), relevancy of the content (β= 0.166, p<0.05), popularity of the content among other users and friends (β= 0.137, p<0.05), and variety of platforms and applications (β= 0.130, p<0.05) were positively related to brand loyalty. The effect of frequent update of the contents was diminished in this study.

Table 1: Results of the Stepwise Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Adjus- ted R^2	F Change	Sig. F Change
		B	Std. Error	Beta					
1	(Constant)	1,958	0,112		17,45	0	0,293	138,421	0,000
	There are advantageous campaigns in social media	0,427	0,036	0,544	11,77	0			
2	(Constant)	1,614	0,126		12,84	0	0,348	28,400	0,000
	There are advantageous campaigns in social media	0,289	0,043	0,368	6,65	0			
	The content is relevant to me	0,257	0,048	0,295	5,33	0			
3	(Constant)	1,355	0,148		9,14	0	0,365	10,117	0,002
	There are advantageous campaigns in social media	0,289	0,043	0,368	6,75	0			
	The content is relevant to me	0,216	0,049	0,248	4,40	0			
	The content is popular among other users or friends	0,118	0,037	0,147	3,18	0,002			
4	(Constant)	1,272	0,153		8,29	0	0,371	3,909	0,049
	There are advantageous campaigns in social media	0,275	0,043	0,35	6,35	0			
	The content is relevant to me	0,145	0,061	0,166	2,38	0,018			
	The content is popular among other users or friends	0,11	0,037	0,137	2,96	0,003			
	There are applications and different platforms provided by the company	0,114	0,058	0,13	1,98	0,049			

The content categories shared on social media were mean ranked in Table 2 and Friedman test results were given. According to Freidman test results, there was a significant difference between the content preferences shared on social media. In addition, the results showed that music, funny contents, instructional videos, and technological contents were mostly shared by the consumers on social media followed by extraordinary contents, movies, sports, and product reviews. On the other hand, the consumers did not prefer to share contents related to advertisements, self content material, gaming, and horror.

Table-2: Means of the Content Preferences

	Descriptive Statistics		Friedman Test		Descriptive Statistics		Friedman Test
	Mean	Std. Deviation	Mean Rank		Mean	Std. Deviation	Mean Rank
Music	3,68	1,179	15,92	Romantic	2,7	1,24	10,81
Technological	3,5	1,239	14,94	Documentaries	2,68	1,17	10,48
Funny	3,45	1,111	14,83	Animals	2,65	1,23	10,16
Instructional videos	3,44	1,172	14,75	Cartoons/Animations	2,48	1,24	9,41
Extraordinary	3,31	1,177	13,93	Celebrities	2,48	1,25	9,44
Movie/TV	3,24	1,211	13,64	Tragic events	2,46	1,17	9,49
Sport	3,24	1,418	13,52	Cars	2,43	1,31	9,15
Review of products	3,13	1,292	12,86	Horror	2,42	1,36	9,13
Art	3	1,207	12,25	Gaming	2,41	1,37	9,2
Travel	2,77	1,223	10,97	Self contents	2,35	1,13	8,84
Politics	2,73	1,342	10,86	Advertisements	2,29	1,23	8,45
Friedman Test Statistics	N: 283	Chi-Square	973,531	df	21	Asymp. Sig.	0,000

5. Conclusion

The aim of this study was to understand the effect of social media marketing on brand loyalty formation from the perspective of the consumers. The results of the study are believed to put significant contribution to practice and literature since social media marketing can be defined as a new, but rapidly growing platform for building relationships with customers and forming positive image of the brands in their eyes. As true for every nontraditional tool of marketing communications, social media is eagerly explored, digged up, and utilized by the companies. Therefore, research is timely and needed to ensure some direction in this quest.

The results of this study shows that advantageous campaigns on social media are the most significant drivers of brand loyalty followed by relevancy of the content, popularity of the content among friends, and appearing on different social media platforms and providing applications. First of all, companies that want to run effective social media campaigns should take into consideration the benefits, values, advantages they offer to the consumers in their campaigns, what makes the consumers more likely to become loyal to their brands. Consumers' brand loyalty is also affected positively by the different platforms and applications that are offered by the brand on social media, what might imply that consumers are asking for creative reasons, variety, and differences for engaging with the brands on social media. Thus, companies may work on creating more engaging, participative, interesting applications, games, contents on social media to draw their customer's interest. This paper also analyzed what type of contents are shared and preferred by social media users. The results imply that people share music, funny

and extraordinary things online along with technological and instructive information. They refrain from sharing sad events, horror or advertisements among each other. This may lead to thinking that social media is a platform where people want to entertain themselves, escape from the harsh realities of life, search for sincerity and fun, as well as share information and instructions among each other. Brands and campaigns around brands should be entertaining, fun, doing what other brands did not think of when they engage with customers on social media platforms. Information and instructional manuals about the brands may also be provided on social media since information sharing is also an important driver of engagement.

Relevancy is the second most important factor affecting brand loyalty; therefore, companies have to keep themselves updated about what customers are interested in, their activities, and current perspectives in life. Companies may conduct qualitative research or observations to understand the lifestyle of their customers and transfer this knowledge on social media platforms. Finally, the popularity of the content among friends also increases brand loyalty of the consumers. Impact of word-of-mouth in marketing is non-negligible, especially in online environments (Gruen at al., 2006). Therefore, companies can provide incentives to the social media users to spread the word about their presence, campaigns, and content on social media among the peers. They can also spot opinion leaders in their target markets and hire them on purpose to talk about their campaigns and pull people to engage with their brands on social media.

This is a preliminary work on the effect of social media marketing on brand loyalty. Researchers can conduct further research to dig more into the effects of different types of social media marketing campaigns on brand awareness, image, and loyalty as well as the impact of word-of-mouth on social media marketing effectiveness. In addition, Social media is a very dynamic and progressive platform. Therefore, the effectiveness of every new development on social media must be researched and measured to find out and apply ultimate marketing strategies. Finally, since Web 3.0 era, which has a potential to change the way of business and characteristics of the social media platforms, is about to arrive; both practitioners and academicians may apply studies to reveal the possible effects of artificial intelligence, cloud computing, online identities and the true convergence of web, mobile devices and other equipments on brand loyalty.

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