## Social Media Branding and its Effect on Brand Loyalty

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### ABSTRACT

The rapid rise of social media and web technologies has captured the attention of marketers and consumers globally. Social media provides platform for companies/ brands to engage in two-way communication with consumers. Nowadays, consumers are no longer considered as passive recipient. These platforms have offered a podium to consumers wherein they can open their hearts. Brands/companies have to respond to their queries/concerns/ complaints quickly. Additionally, building, maintaining a loyal base of consumers are one of the main objectives 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 the study is to identify the impact of social media marketing on brand loyalty, given that the concept is receiving increasing traction from academicians and practitioners. The scope of the study consists of customers who follow at least one brand on the social media. The sample size for the study is 200 and a five-point Likert scale is used to collect the data. Exploratory factor analysis and Regression analysis was employed to analyse the collected data with the help of SPSS. Results showed that respondents get more influenced towards social media platforms. The results of the study showed that brand loyalty of the customers is positively affected when the brand showcases attractive campaigns, relevant content, offers popular contests, deals, appears on various platforms and offers applications on social media. Based on the results, the study can be considered as a forerunner in this new area of marketing, and propose strategies for the practitioners.

**Keywords**: social media; two-way communication; brand loyalty.

### INTRODUCTION

Social Media Marketing has emerged as the most popular and effective tool of integrated marketing communication. The companies are using social media campaigns to attract the prospects and making the existing customers brand loyal. Now, firms are not the only source of brand communication as social media allows the consumers or prospects to communicate with many other consumers from all corners of the world.

Brand loyalty may be a pattern of consumer behaviour through which consumers tend to urge committed to a selected brand or product and make repeat purchases over time. Businesses plan different creative marketing strategies like reward and loyalty programs, incentives, trials and brand ambassadors to make brand loyalty. Those who are loyal to a specific brand don't purchase a substitute brand just in case the well-liked brand is unavailable.

Loyal customers search multiple stores for his or her preferred brands are more likely to forego their purchase just in case the brand isn't available.

### BENEFITS OF SOCIAL MEDIA MARKETING

Investing in a social media marketing service may have been identified as the missing link connecting you with your consumers. However, for the others, who are still contemplating diving into the social marketing end, look no further than the following facts.

Social media marketing increases your brand's awareness. 78 you look after small businesses use social media to draw in new customers. Furthermore 33% of consumers have identified social media as how they identify new brands products and services. Social media marketing helps to validate your brand. A company's social media presence, when done correctly, tells consumers that their brand is active and focused on thriving communication with consumers. 63% of consumers who look for businesses online are more likely to use ones with an informative social media presence. Need more assistance on the way to validate your brand? Check out our branding blog. Social media marketing has the facility to extend customer loyalty. 71% of consumers who received a fast response on social media would recommend the brand to others.

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## LITERATURE REVIEW

**Filieri et.al., (2020)** identified 13 motivations grouped into six macro-dimensions: perceived content relevancy (brand news, post quality, and celebrity endorsement), brand-customer relationship (brand love, and brand ethereality), hedonic (entertainment), aesthetic (design appeal), socio-psychological (actual self-congruency, status signaling, and enhance and maintain face), brand equity (perceived brand quality), and technology factors (ease of use and convenience). **Algharabat, et.al., (2020)** concerned with identifying and testing the role of three main predictors: consumer involvement, consumer participation, and self-expressive brand on the customer brand engagement (CBE). The customer brand engagement was treated in the current study as multidimensional constructs comprising three main aspects: cognitive processing (CP), affection (AF), and activation (AC). It was found that brand awareness/associations affect perceived quality but not brand loyalty. **Laroche et.al., (2019)** validated a study on how brand loyalty is affected by social media. The results revealed that brand communities established on social media had positive effects on customer/product, customer/brand, customer/ company and customer/other customer relationships, which in turn had positive effects on brand trust, and trust had positive effects on brand loyalty. **Shin et.al. (2019)** investigated the impact of a luxury brand's social media marketing activities on customer engagement. The results indicated that focusing on the entertainment, interaction, and trendiness dimensions of a luxury brand's social media marketing efforts significantly increases customer engagement, while focusing on the customization dimension does not. **Salem & Salem (2019)** revealed that SM marketing has a significant effect on BC and BL in the fast fashion industry. The result demonstrated that SM has indirect positive impact on different stages of brand loyalty through BL and BC. **Lunda et.al., (2018)** suggested a novel interpretation on how these online social networks function with regard to generating engagement and stimulating circulation of brand stories by offering a conceptual framework based on the sociological concepts of storytelling, performance, performativity, and mobility. These concepts are characterised as 'technologies of power', for their role in shaping the social mechanisms in social media.

**Yoshida et al., (2018)** the study examined the relationship between consumer responses in social media networks and behavioural brand loyalty in the context of Japanese professional sports: football and baseball. The theoretical model and results reinforced the importance of brand-related social media engagement toward behavioural brand loyalty, and added new insights into the antecedents of consumer engagement in the brand-related use of social media. **Park et al., 2018)** demonstrated that luxury brands were inherently psychologically distant than mainstream brands and luxury brand with a high level (vs. low level) of brand-consumer engagement resulted lower value perceptions (i.e., social, uniqueness, and quality value perceptions) of the brand, and such relationships were mediated by decreased psychological distance. **Kamboj et.al., (2018)** revealed that SNSs' participation motivations positively influence customer participation, which in turn significantly affects brand trust and brand loyalty. Consequently, both brand trust and brand loyalty positively influence branding co-creation in brand communities on social media. **Khamis et.al., (2017** considered how and why the concept of self-branding had become so prevalent. The study contended that it parallels the growth of digital technology (particularly social media) embedded in the current political climate: neoliberal individualism. **Algharabat (2017)** revealed that SMM activities positively affect self-expressive brands (inner and social), which in turn impact brand love. The author empirically investigated that brand love positively affects brand loyalty.

## OBJECTIVES OF THE STUDY:

- To identify the factors influencing brand loyalty.
- To identify how the companies using social media for branding.
- To study the impact of branding on brand loyalty.

## RESEARCH METHODOLOGY

The method of research chosen for this study was quantitative. Quantitative approach was chosen in order to produce comparable data about the usage of social media and traditional media and consumer perceptions on branding in these channels. Quantitative research approach was chosen as appropriate for collecting a sufficient amount of data that was intended to be suitable for statistical analysis and interpretation. The scope of the study is confined to only Hyderabad city. A structured questionnaire was administered only to social media users of Facebook. Thus, this study is following descriptive research design. Primary data is collected from 200 (122 Male respondents and 78 Female) respondents via structured questionnaires to attain the objectives of study. Descriptive Statistics and Regression analysis have been employed to perform Data analysis.

**ANALYSIS AND RESULTS**

**Table 1: Demographic profile of respondents**

| Demographics | Per Cent | Demographics | Per Cent |
|---|---|---|---|
| **Gender** | | **Occupation** | |
| Male | 68.8 | Government Employee | 3.5 |
| Female | 31.2 | Private employee | 24.3 |
| **Age** | | Own business | 12.4 |
| 18-25 years | 71.8 | Retired person | 1.3 |
| 25-35 years | 23.3 | Student | 55 |
| 35-45 years | 4.0 | Any other | 3.5 |
| Over 45 years | 0.9 | | |
| **Education** | | **Family Monthly Income** | |
| Matric | 52 | Below 15000 | 33.6 |
| Diploma | 9 | 15001-25000 | 24.3 |
| Under Graduate | 9.4 | 25001-35000 | 18.3 |
| Graduate | 22.8 | 35001-45000 | 12.4 |
| Post Graduate | 2.1 | Above 45,000 | 11.4 |
| Others | 4.7 | **Hours spent on social networking sites** | |
| | | More than 3 hours | 30.7 |
| | | 2to 3 hours | 30.2 |
| | | Less than 1 hour | 17.3 |
| | | 1to 2 hours | 21.8 |

**(Source: Researchers' Survey)**

For the present study, the data is collected from 202 respondents consisting of 68.8% male and 31.2% female respondents of 18-25 years old age group who are heavy users of social media platforms. Among all respondents surveyed, 30.7 % of employees spent more than 3 hours on accessing social networking sites.

**Purpose of using social media platforms:**

**Table 2: Purpose of using social media**

| Purpose of using | Frequency | Percentage |
|---|---|---|
| Playing contest/game | 25.048 | 12.4% |
| Connecting with friends | 88.072 | 43.6% |
| Exchanging views about product and service | 34.946 | 17.3% |
| Other activities | 53.934 | 26.7% |
| Total | 202 | 100 |

**(Source: SPSS output)**

**Social media effects in Consumer Buying Decision**

**Table 3: Consumer Buying Decision**

| Buying decision | Frequency | Percentage |
|---|---|---|
| Always | 30.098 | 14.9% |
| Most often | 78.982 | 39.1% |
| Rarely | 62.014 | 30.7% |
| Never | 30.906 | 15.3% |
| Total | 202 | 100 |

**(Source: SPSS output)**

**Factor Analysis**

Post confirming the reliability of data as per Cronbach's value, Factor analysis is conducted by applying PCA method along with Varimax rotation with Kaiser normalization to fetch the percentage of variance for 7 variables relating to brand loyalty. A list of derived factor with the supporting statements is displayed in Table 5.

**Table 4: KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .797 |
|---|---|---|
| | Approx. Chi-Square | 237.701 |
| Bartlett's Test of Sphericity | Df | 15 |
| | Sig. | .000 |

**(Source: SPSS output)**

To confirm the appropriateness of the present factor model, researchers have applied Kaiser-Meyer-Olkin and Bartlett's Test. KMO value is 0.797 that is higher than ideal value of 0.6. Thus, the data under present study is confirmed as adequate and the Bartlett's Sphericity Test Sig. value is 0.000 which is less than 0.05 confirming the validity of the test.

**Table 5: Rotated Component matrix for brand loyalty**

| Component Matrix | Component |
|---|---|
| | 1 |
| I intend to keep on purchasing this brand | .728 |
| I will buy this brand next time I go for purchase | .750 |
| I would readily pay more for the same brand. | .655 |
| I intend to reduce the usage of this brand in near future | .526 |
| I have strong preference for this brand | .659 |
| I will try new variants of this brand | .663 |

**(Source: SPSS output)**

The component matrix, sometimes referred to as the loadings, is the key output of principal components analysis. It indicates correlation between items and the underlying factor. Further, these values indicate high degree of correlation between items and the underlying factor i.e. brand loyalty.

**Liking or joining Facebook brand page**

**Table 6: KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .848 |
|---|---|---|
| | Approx. Chi-Square | 637.014 |
| Bartlett's Test of Sphericity | Df | 36 |
| | Sig. | .000 |

**(Source: SPSS output)**

To confirm the appropriateness of the present factor model, researchers have applied Kaiser-Meyer-Olkin and Bartlett's Test. KMO value is 0.848 that is higher than ideal value of 0.6. Thus, the data under present study is confirmed as adequate and the Bartlett's Sphericity Test Sig. value is 0.000 which is less than 0.05 confirming the validity of the test.

**Table 7: Rotated Component matrix for Facebook brand page**

| Rotated Component Matrix[a] | | |
|---|---|---|
| | | |
| Component | 1 | 2 |
| OPPORTUNITYSEEKING | .832 | |
| CONVERSATION | .779 | |
| BRANDAFFILIATION | .754 | |
| PERSONALRESEARCH | .587 | |
| INVESTIGATION | .514 | |
| ADVERTISING | | .872 |
| FRIENDSINVITATION | | .750 |
| LOYALTY | | .530 |
| ENTERTAINMENT | | .471 |

**(Source: SPSS output)**

Factor loadings of variables are opportunity seeking, conversation, brand affiliation, personal research and investigation lie in the first factor. Five variables loaded on the first factor. Factor loadings of variables advertisement, friend's invitation, loyalty and entertainment loaded on second factor.

## REGRESSION RESULTS

Alternate Hypothesis(H1): There is an impact of social media marketing on brand loyalty on social media platform's

### Table 8: Regression Model Summary

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .480a | .230 | .223 | .88170374 |
| a. Predictors: (Constant), REGR factor score   2 for analysis 1, REGR factor score   1 for analysis 1 | | | | |

$R^2$= 23.0%

Interpretation: It is very less and this is limitation that independent variables are only able to explain 23% of the variance in dependent variable.

### Table 9: Coefficients

| Coefficients | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.001E-013 | .062 | | .000 | 1.000 |
| | Factor 1 | .406 | .062 | .406 | 6.531 | .000 |
| | Factor 2 | .256 | .062 | .256 | 4.110 | .000 |
| a. Dependent Variable: REGR factor score    1 for analysis 2 | | | | | | |

The coefficient for Factor 1 (.406) is statistically significantly different from 0 using alpha of 0.05 because its p-value is 0.000, which is smaller than 0.05. Similarly, for Factor 2 was also found to be significantly different from 0.

Regression Equation:

The regression equation can be presented in many different ways, for example:

**Y (predicted) = b0 + b1*x1 + b2*x2 + b3*x3**

Y= 0.000001+0.406 F1+0.256 F2

Therefore, from the above results we can say that there is significance impact of social media marketing on brand loyalty. It means that our proposed hypotheses got accepted.

## FINDINGS

- From the data collected it has been observed that most of the respondents i.e., 68.8% are "Male" and fall under the age group between "18-25".
- Most of the respondents i.e., 55% are "Students" and falls under the category of "Post graduate level of education".
- In the first part of influencing brand loyalty, it is found that most of the respondents i.e., 90% agreed that they will buy the brand next time whenever they go for purchase.
- In the second part of social media networks, the results revealed that 73% respondents use Instagram most among other social media networks.
- In the third part of motivation towards liking a fan page, most of the respondents i.e., 93% agreed that they get motivated by friend's invitation to like a Facebook fan page.
- In the fourth part of hours spent on social media, , the results revealed that, most of the respondents i.e., 63% agreed that they spend more than 3 hours on social networking sites.
- The results further revealed that, in the sixth part of purpose of using social media, most of the respondents i.e., 80% agreed that they use social media to get connected with friends.
- In the seventh part of social media effecting in buying decision, it is found that 79% respondents agreed that they get effected by social media while making buying decisions.

- The findings of the study showed that creating site brand loyalty leads to predictable affective, brand loyalty from customers, such as repeat visits to and patronage of the site, fewer intentions to defect to competitors, and more favorable attitudes toward the site.
- The study found that it implies a need for change in the strategic alignment, a change away from transaction towards relationship orientation understanding loyal customers as an asset.
- It was found that Bartlett's test of Sphericity found this instrument is perfect, which shows the suitability of the intercorrelation matrix of the 6 variables under brand loyalty for factor analysis.
- It indicates that there is significance impact of social media marketing on brand loyalty.
- The finding further indicates to marketing managers that social media marketing medium has become an important marketing tool to reach emerging younger generation consumers.
- The research provides a guideline for global brand players in considering applying social media marketing activities to promote their product, and brand.

## CONCLUSION

The aim of the research study is to understand the effect of social media marketing on brand loyalty formation from the perspective of the consumers. Prior research tends to focus extensively on social exchange variables such as service quality, perceived value, and satisfaction in explaining brand loyalty. The effects of the study are accepted to put critical commitment to practice and writing since internet-based life promoting can be characterized, yet quickly developing stage for building associations with clients and framing positive picture of the brands in their eyes. The results found that the most of the respondents has got influenced by social media while making purchasing decisions towards brand. As such, the present study extends our understanding on how deep and meaningful relationships can be developed between social media users and brand loyalty through symbolic consumption that goes beyond satisfying guests' immediate needs.

## LIMITATIONS

- Small sample size. We can't generalise the results of the study.
- The study is based on a consumer survey; hence all of the data is self-reported by the respondents.
- The respondents might sometimes not answer questions in a way that corresponds with reality.

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