



Building Brand Loyalty Through Social Media Marketing

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ABSTRACT Building and maintaining brand loyalty has been one of the areas of significant interest to marketers from a very long time. Marketers have done extensive research and have come up with various means to maintain the brand loyalty of customers. One of the recent means is the social media marketing. Traditional marketing can drain your funds. Social media marketing, on the other hand, is low-cost and helps in establishing a direct line to current with prospective customers. Social media provides a unique opportunity for brands to foster their relationships with customers. In this context the study is undertaken to identify the effect of social media marketing on brand loyalty of the consumers.

KEYWORDS Social media marketing, brand, brand loyalty

INTRODUCTION

Social media marketing refers to the process of gaining website traffic or attention through social media sites. Social-media marketing can help nurture and strengthen budding customer relationships. Social media often builds brand loyalty as the customer sees it as a channel to create deeper emotional connections. It is not enough to have great products anymore; customers want to feel like they have a bond with the brand. Social media is a powerful brand building tool that can drive long-term, organic growth which is sustainable through any micro- or macro-environmental threat. Developing the value of your brand should always be a top strategic priority. Brand value has saved more than one company or product from going under in recent years. Environmentally conscious companies don't just sell products, they promote a mission and sustain a lifestyle that benefits their customers and simultaneously makes the world a better place. It is natural that when these businesses take to social media, they use their authentic voice and positioning to simultaneously promote philanthropy and increase e-commerce sales.

Brand loyalty is where a person buys products from the same manufacturer repeatedly rather than from other suppliers. Loyalty includes some degree of pre-dispositional commitment towards a brand. Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes. Customers' perceived value, brand trust, customers' satisfaction, repeated purchase behavior, and commitment are found to be the key influencing factors of brand loyalty. Commitment and repeated purchase behavior are considered necessary conditions for brand loyalty followed by perceived value, satisfaction, and brand trust.

STEPS IN BUILDING BRAND LOYALTY THROUGH SOCIAL MEDIA

There is always a concern in the business community of how social media helps in creating and maintaining fruitful relationships with its customers. Social media marketing is all about communicating with your online community. By adopting strategies like Accessibility, Rewards, and Trust, companies will be able to build brand loyalty. By building brand loyalty, companies will be able to position themselves in the market and influence customer preferences (Fuchs & Diamantopoulos, 2010).

- **Accessibility:** It's more convenient for a consumer active on social media to express a thought, question, or review of a brand through so-

cial media, rather than picking up a phone and calling a company to discuss an issue. If there is an online community that companies can rely on, brand reputation can be improved by providing accessibility to their questions and complaints.

Case study of Amazon

Let us take the case of Amazon, the largest online retailer as a case to prove this point. Just by the click of "Your Account" link, the record of all your transactions, your credit cards, your shipping and billing addresses, the status of all your orders from last year to five minutes ago is readily available. Amazon support is available 24 by 7 which enables customers to resolve issues as and when it arises. While shopping for a product at Amazon, customers are provided with reviews and ratings of prospective sellers. This helps the customer to place an order with the most reliable seller. This also eliminates fraudulent transactions. This process gives consumers all the information they need to make an informed buying decision. A consumer with good buying experience will return to the same merchant thereby building a brand loyalty.

- **Rewards:** Rewarding loyal customers enhances brand loyalty. Companies have different business models to implement a reward program. Many companies provide their loyal customers a loyalty card, rewards card, points card, membership card, or a club card which resembles a credit card. Customers can use these cards to avail a discounted price for their purchase. To maximize usage of their credit cards, many banks provide cash back options to their customers. Many pharmacies in United States have a discounted rate on each item for their reward card holders. Airlines provide reward miles to customers which can be redeemed to book flight tickets. Some retailers provide flexible payment options like Equated monthly Installments (EMI) with a low or no interest rate to its membership card holders. Hence, by coming up with a rewards business model, companies are able to retain customers and build their brand value.

Case Study of Kohl's Corporation

Kohl's Corporation is a perfect illustration of how companies can successfully build brand loyalty through rewards programs. Kohl's is an American department store retail chain with gross revenue of over \$19 billion. Customers shopping regularly at the store are branded as MVCs (Most valued customer). Such customers are provided with gift vouchers and discount coupons. Such rewards prompt customers to visit the

store again and again. First timers and people, who shop occasionally at the store, get attracted to such reward programs and become loyal customers. From the perspective of the company, by rewarding loyal customers they are able to retain them and attract potential customers.

• **Gaining Trust:**

Trust and loyalty go hand in hand in securing a consumer's commitment to your brand. Trust breeds loyalty, which in turn breeds willingness on the part of the consumer to take the extra effort in posting a positive review online. Social media allows for continued conversations instead of one-time, stale recommendations. Companies have the opportunity to continually revive brand loyalty by consistently listening and responding to consumers. In this new market culture, companies have to keep the conversation flowing and always provide consumer with an answer or a solution to their concern.

Case Study of Walmart

Walmart is an American multinational retail corporation with over 2 million employees with gross revenue of over 476 million US dollars. The company has a 90 day 'no questions asked' hassle free return policy for most items sold from any of its stores. An item bought from one store can be returned in any other store if the customer did not it. The company also introduced a policy where purchase receipts are not required to return a product. Such customer service policies are strategies followed by Walmart to make each of its products valuable and trustworthy. This creates a sense of trust among customers for Walmart stores. With nothing to lose on a purchase, more and more customers visit Walmart stores each day. Such efficient customer service policies ensure loyal customers and increased brand value for the company.

Social media provides companies with an opportunity to interact with its customers and let them know about any decisions made and also work on the feedbacks received. Few companies which altered their marketing strategies based on the responses received from various social networks are listed below:

- PepsiCo uses Twitter extensively to engage with its customers and respond to their queries.
- US based clothing company Ann Taylor altered its marketing strategies based on the responses received via Facebook

Case Study of Procter and Gamble (P&G)

P&G - one of the world's largest advertisers spends billions of dollars on advertising annually. Earlier P&G was focused on traditional channels of advertising. On realizing the immense potential of social media, P&G decided to increase its spending on social media marketing. This was not only to promote its products, but also to strengthen its brand loyalty. Social media marketing is also a cost effective model than traditional marketing (Akhtar, 2011). On finding that its customers are

spending more and more time on social networking sites, P&G also started focusing in this area. An Old Spice commercial of P&G was immensely popular in YouTube (kpmg.com, 2011). The company later launched a sequel to this commercial again in YouTube. These commercials were then promoted on other social networking sites like Facebook and Twitter. The ads shown on these social media platforms created a strong wave among customers. The company also tracked and measured the responses received from various social networking sites. The number of people across the globe who heard about or saw these commercials reached 1.8 billion. In fact, the number of views of the video on YouTube crossed 140 million. Thereafter, social media marketing became an important marketing strategy for P&G.

While social media can be a powerful marketing tool, it's not entirely risk-free. Fans and followers are free to post their comments on these platforms exposing your business to the possibility of negative publicity. A quick response can help minimize the damage from these comments, but it cannot erase the criticism from your business page or feed. Hackers pose another threat to businesses on social media. An attacker can take over a company's page or feed and can share false information that can quickly go viral which could benefit competitors. Even large respected businesses have fallen victim to hackers. Small businesses need to take security precautions when creating passwords and sharing password information with employees.

Considerations

A business can easily set up a presence on multiple social media channels. However, none of these platforms will help them gain customers without an investment of time and effort. An unattended Facebook page or Twitter feed can leave a negative impression on potential customers and can cause your business to lose fans and followers. Businesses should consider their resources before developing a social media marketing strategy to ensure that they can provide the attention and frequent communication needed to embrace social media effectively.

CONCLUSION

Brand loyalty results in revenue generation to every company. For a company to grow, it needs a large pool of dedicated customers. Adopting new methods to engage with customers and to keep a brand relevant should be the priority of any business. Social marketing techniques help companies to reach out to almost all the segments of the society. Today, businesses have realized and accepted social media marketing as an important marketing strategy to succeed. Apart from having loyal customers, social media marketing comes with a lot of benefits like increased exposure, improved sales, reduced marketing expenditure, more fruitful leads and partnerships. Social media marketing is a game changer for any business. It is a powerful marketing tool to the company.

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