

The Impact of Social Media Marketing on University Students' Brand Loyalty

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ABSTRACT

As the social media marketing is gaining more attention and momentum in recent times due to being more effective and less expensive way of reaching customers, a better understating of the online customers is now at the forefront of marketers. While considering the social media marketing, the most active users of social media nowadays are the young generations or mostly the students. The present study is based on identifying factors of social media marketing that influence the brand loyalty of University going students. Sample for conducting the research was chosen from the students of the five different private universities located in Dhaka. The collected data were analysed by the multiple regression analysis method. The result indicates that if the contents of social media marketing are relevant to the brand, then they have the highest impact on the brand loyalty of university students. In addition, beneficial and popular contents in social media marketing also influence the students' brand loyalty. So, challenge for the marketers is to ensure these characteristics in their social media marketing efforts with a view to gain the brand loyalty of university students.

Keyword: Social Media, Brand Loyalty, Online Customers

INTRODUCTION

Creating and sustaining brand loyalty has been the prime concern of marketers since a very long time. Brand loyalty is important as it is considered to be the utmost state of relationship and level of identification that a customer can have with a brand (Keller, 2008). A brand achieves the status of loyalty when it builds an exclusive, positive, and unique image in the mind of customers. The loyal customers of a brand act in an irresistible and irreplaceable manner when it comes to promoting and purchasing the brand. As a result, achieving brand loyalty boosts a firm's sales, revenues, profitability, and market share and surely helps it to grow or at least maintain a competitive position in the marketplace (Keller, 2008; Aaker, 1991; Kapferer, 1997).

Social media refers to the communication channels among which mass people transmit their message, express their feelings and emotions. Over the last decade, the role of social media is increasing in underdeveloped and developing democratic countries. Social media has

changed the way organisations and consumers interact as individual consumer has a platform to raise their voice due to better access toward product information and purchase decision (Wang, Yu, & Wei, 2012). The dominant social media include Facebook, Twitter, YouTube, and blogging. Facebook was launched in 2004 especially for Harvard students. Facebook has currently around 800 million active users. Twitter was launched in 2006 as network information to connect the latest interesting findings. YouTube was the first website to upload and share personal video. More than three billion videos are viewed in YouTube every day. The last tool of social media is weblog. Weblogs, more commonly referred as blogs, are an easy-to-use content management tool. The fastest growing Internet tool is social media which has become more popular Internet service than email. More than 10% of all Internet traffic is occupied by social media. The growth of time spent in social media has been incredibly increasing. Quantity of time spent on social media is growing at an incredible pace – for example, in December 2007, the growth pace reached 63% for Facebook and that

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number was much greater in December 2008, i.e. 566% (Bauer, 2012).

With a view to create a sense of loyalty to the mind of consumers, communication between a brand and its target customers is crucial. Among various methods used by marketers to communicate with their customers, social media is receiving much attention in recent times. Reasons for gaining such popularity are also quite obvious. First of all, due to the mass penetration of social media usage by people in modern societies and relatively few number of popular social media such as Facebook, Twitter, LinkedIn, Google+ etc. which dominate the social media industry. Using social media is much easier for the marketers to reach a huge number of people with a very cost effective manner. Besides, social media offers the Web 2.0 features of communication that is interactive, collaborative, knowledge sharing, and other user empowering tools. That means, a key difference between social media with other traditional media such as television, newspaper, magazine, billboard etc. is that social media offer a two way communication between a company and its customers, rather one way communication offered by traditional media. Thus, social media marketing provide companies better communication platform with their customers, and new opportunities to develop brand loyalty beyond traditional media (Jackson, 2011; Akhtar, 2011).

This study identifies the factors which impact the brand loyalty of university going students, because they consist of a significant portion of active users in social media (Balakrishnan, Dahnil, & Yi, 2014). Besides, this segment of young people also consists of active buyer segment in numerous product/service industries such as technology, sports, entertainment, apparel etc. (Bennett & Lachowetz, 2004). Young segment has been appeared as a powerful market segment that has the capacity to influence the purchase and decision making of others (Zollo, 1995; Loudon & Della Bitta, 1993). Such youth market can be considered as the indicator of surrounding cultural and social change (Widdicombe & Woffitt, 1995).

PURPOSE

In the current trend of marketing, technological advancements have created a culture of real time communication and effective use of social networking sites to get the convenient access of product reviews from ordinary customers. Such a landscape has been partially

responsible for development of personal relationship between brand and consumer. Brand loyalty highly depends on the effective customer service. By the means of social media, companies are continuously communicating with their customers, reveal the reasons of satisfaction or dissatisfaction. Moreover, such media platforms are acting as channel for advertising the products with a purpose of influencing target customers. Whether social media effectively perform their role to affect the target group of customers, requires a research to the related variables, as it has merely been studied, particularly in the context of Bangladesh. As a result, this research is important for marketers as well as for academics to provide a better understanding of how social media marketing can be designed that would influence the brand loyalty of university going students. Such design will ultimately impact the students' final purchase decision and to be the opinion leaders for the brand as well.

Literature Review

In order to remain competitive in the marketplace, as well as to ensure sustaining growth, marketers have no choice but to gain the brand loyalty of their customers. Aaker (1991) defines brand loyalty as the attachment that consumers have with a brand. Brand loyalty is a powerful indicator of consumer behaviour in the marketplace, which can be reflected by the number of repeated purchases (Keller, 1998) or commitment to repurchase the brand as a primary choice (Oliver, 1999).

Eastin and Daugherty (2005) mention that consumers actively behave with certain purpose toward media contents and seek such contents based on their internal motivations. Such motivations come from consumers' attitude and fulfill specific needs (O'Keefe, 2002; Daugherty, Eastin, & Bright, 2008). To form general opinion and attitude, social media have immense influence on each stage of the consumer decision making process (Mangold & Faulds, 2009). Bhagat, Klein, & Sharma (2009) argue that consumers' attraction toward traditional media has been gradually declining and shifting toward social media due to its personalised features and control. Consumers have consistent demand for information and require immediate access with more flexibility (Vollmer & Precourt, 2008; Rashtchy et. al., 2007). Mangold and Faulds (2009) conclude that social media has created a bridge for businesses to communicate instantaneously

and simultaneously with customers (B to C) and has created a network to communicate between customers to customers (C to C).

Social media are quite different from traditional media that companies use to communicate with their customers through television, radio, magazine, newspaper and billboard etc. On the other hand social media marketing requires special care and different kinds of strategies to establish brand image as well as brand loyalty. Marketers need to shift their mentality from 'trying to sell' to 'making relationship' with their customers (Gordhamer, 2009). Moreover, today's young generations are more busy and powerful, requiring companies to be reachable in every major social media channels such as Twitter, Facebook, YouTube, different popular blogs/forums at any time (Gordhamer, 2009). As a result, this study wishes to investigate factors of social media marketing that actually influences the brand loyalty of University going students.

Advantageous Campaigns

Research by the online marketers have revealed that consumers who follow at least one brand on social media usually keep up with the new products and promotional campaigns associated with the brand (Mangold & Faulds, 2009; Leggat, 2010). Pepsi and Coca Cola both organised consumer loyalty campaigns online in social media, where they offered special promotions, discount codes, free MP3 downloads etc. (Mangold & Faulds, 2009). Thus we can state

H₁: Advantageous campaigns on social media offered by a brand are positively related to the brand loyalty of university students.

Relevant Contents

Today's online consumers are bombarded with lots of annoying promotional emails, messages, ads while they surf around over the Internet. Not to mention, social media are not also immune from this type of clutters. As a result, consumers who are exposed to plenty of brand posts/ads on social media usually filter out contents that are not relevant to them (Brito, 2011). Therefore, providing relevant contents on social media those actually go with the brand or important for the target customers of the brand, is one of the key strategies for online marketers

who are striving to establish brand loyalty for their brand online. So,

H₂: Relevant contents posted by a brand on social media are positively related to the brand loyalty of university students.

Popular Contents

People like to share popular information, events, knowledge, videos etc. on social media with their online friends. This is one of the key reasons for people to be associated with a certain brand/s on social media. Therefore, marketers need to look for the popularity of their contents in social media among their valued customers. Hence,

H₃: Popular contents posted by a brand on social media are positively related to the brand loyalty of university students.

Updated Contents

Apart from a virtual social gathering, consumers view social media as a service channel through which they can have real time communication with companies (Leggat, 2010). As a result, consumers prefer to see updated contents on social media about the brands they are associated with. That is the reason why, Google has changed their search engine algorithms so that, consumers can see the most updated/recent content first related to their search. Therefore,

H₄: Updated contents posted by a brand on social media are positively related to the brand loyalty of university students.

Online Communities

Online communities of a brand have a key impact on developing brand loyalty. Community members' view as well as their commitment toward their group results in additional attachment to the brand to which they are associated with (Balakrishnan et. al., 2014). This energizes consumer repurchase intention and also influences positive word of mouth toward that brand. Thus,

H₅: Online communities of a brand on social media have a positive impact on the brand loyalty of university students.

Electronic Word of Mouth (E-WOM)

Electronic word of mouth (E-WOM) has a significant impact on consumers purchasing behaviour regardless of any online communities (Balakrishnan *et al.*, 2014). Study by Tseng, Kuo and Chen states that E-WOM has greater effect on consumer purchase intention than ads. Their findings suggest that firms should encourage their online community members to share their experiences in their groups rather than just posting information/ads about a brand. So,

H₆: Electronic word of mouth (E-WOM) about a brand

is positively related with the brand loyalty of University students.

The resulting hypotheses presented above are shown in Fig. 1 for a regression model below

University student's brand loyalty = $c + \text{Advantageous } X_1 + \text{Relevance } X_2 + \text{Popularity } X_3 + \text{Updated } X_4 + \text{Online Community } X_5 + \text{E-WOM } X_6 + e$

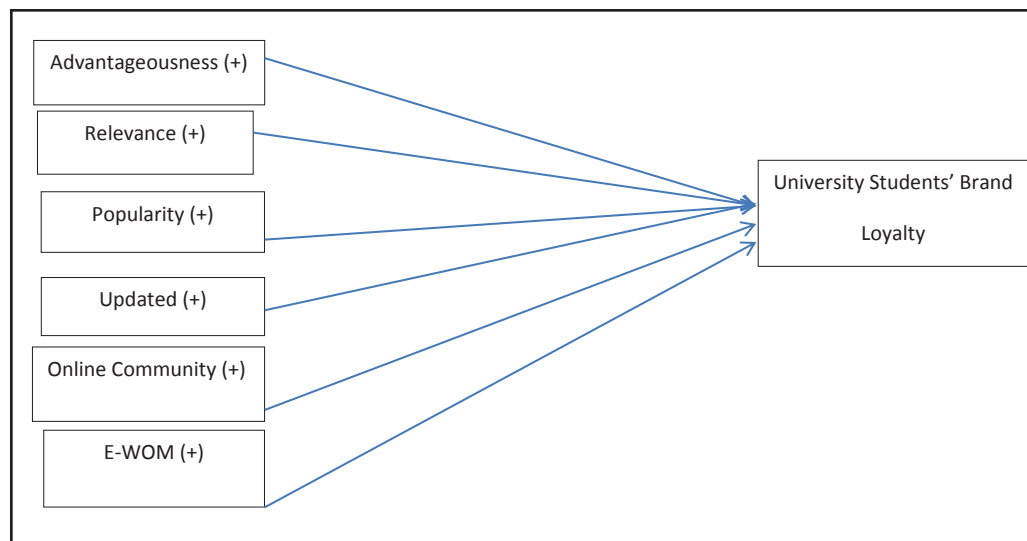


Fig. 1: Social Media Marketing Factors Influencing University Student's Brand Loyalty

DATA COLLECTION AND METHODOLOGY

Data were collected through a structured questionnaire from a sample of 250 university going students in Dhaka city. Students were chosen randomly throughout the campus; however, the respondents were filtered based on selecting only those students who use social media and follow at least one brand on the social media platform. The total duration of collecting data were 20 officially open days. Among the 250 delivered questionnaires, data from 247 questionnaires were finally usable. The average age of the respondents were around 21yrs of whom 45 percent was consist of male while the rest 55 percent was consist of female students. All of the respondents have either own Laptop or personal computer and frequently

use internet through their smart phone.

The questionnaire was designed to measure the brand loyalty of university students based on the independent variables identified during the secondary research (Erdogmus & Cicek, 2012; Mangold & Faulds, 2009; Leggat, 2010; Freidman, 2011; Brito, 2011; O'Reilly & Marks, 2011; Kim & Adler, 2011). The items included advantageousness, relevance, popularity, up datedness of social media marketing contents and the impact of online brand communities and electronic word of mouth (E-WOM). The brand loyalty of university students were measured based on five elements that are intention for more interaction, willingness to see the brand thrive, trust toward the brand, recommending the brand to others and finally will not choose any other brand over

this brand. Elements to assess brand loyalty were derived from Erdogmus and Cicek (2012) and O'Reilly and Marks (2011). The questionnaire included demographic questions about the respondents' age and gender; rest of the questions were designed to achieve the research objective by organizing them using a seven point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (7). Multiple regression analysis technique has been used to measure the significance of the overall model as well as of the independent variables to measure the university students' brand loyalty.

RESULTS AND FINDINGS

The growing interest in social media marketing and the importance of brand loyalty as the ultimate demand for consumer retention, reinforces the importance of investigating a model on factors of social media marketing that influence university students' brand loyalty (a significant active consumer group in many industries). This model (Fig. 1) can serve as the foundation for empirically testing the proposed hypotheses as well as fill in some gaps in the existing literature. Table 1 illustrates the regression analysis results based on the model exhibited by Fig. 1.

Table 1: Regression Analysis with University Students' Brand Loyalty as Dependent Variable

<i>Dependent Variable: University Student's Brand Loyalty</i>			
	<i>Coefficients</i>		
	B	t	Sig
Constant	3.019	2.5368	*
Advantageous	0.153	1.1323	
Relevance	0.296	3.2735	**
Updated	-0.193	-1.654	
Popular	0.130	1.157	
Online Community	-0.031	-0.266	
E-WOM	-0.049	-0.583	
F	3.281		**
R Square	0.329		
Adjusted R Square	0.229		

Here, * $p < .05$

** $p < .01$

*** $p < .001$

As can be seen from Table 1, the model is significant overall along with its predictors since, the F-test value 3.281 came significant at $p < .01$. Among all the independent variables, relevance of the contents of social media marketing showed statistical significance with a beta weight of 0.296 at $p < .01$. While, statistical significance for no other variable of the model was found through the regression analysis. The almost 10 percent difference between the value of R square (0.329) and adjusted R square (0.229) carries the indication of this scenario. It means, not all the variables included in the model are in reality, affecting the dependent variable or

the university student's brand loyalty. However, overall this model has a moderate explaining power, which can explain about 22.9% (adjusted R square) of the variations of the university students' brand loyalty.

In addition, among the six independent variables of the model, three followed the model's hypothesized direction of the effect (advantageous, relevance, popular). But the other three variables which are – updated, online community and E-WOM; contrary to what was expected. The direction and strength of these three variables were not captured in the data. So, the assessment of H1 to H6 based

on the conducted regression analysis using the identified antecedents, supports three of the six hypotheses. The influence of advantageous, relevant, and popular contents on the university students' brand loyalty are in accordance with the proposed hypotheses; while, negative influence was found on university students' brand loyalty from updated contents, online communities and electronic word of mouth (E-WOM).

DISCUSSION AND IMPLICATIONS

The idea of this study starts with the question, what are the factors of social media marketing that influence the university students' brand loyalty? Based on the graphical model presented in Fig. 1 as well as the underlying hypotheses (H₁-H₆) developed, the result finds support for half of the hypotheses (H₁, H₂, H₄) and not for the rest (H₃, H₅, H₆).

This paper examined the constructs of social media marketing factors that were thought to impact the brand loyalty of university students. The result finds strongest support for the relevance of the content of social media marketing to be positively influencing the brand loyalty of university students (significant at $p < .01$). The advantageousness and popularity of contents were also found to be positively impacting the university students' brand loyalty with no statistical significance. So, marketers need to focus on these characteristics, while plan for social media marketing campaigns, with a special attention to the relevance of the contents with the brand they are representing; if they want to have an impact on the brand loyalty of university going students.

Surprisingly, the result finds negative influence on university students' brand loyalty from the up datedness of the contents, the impact of online communities and electronic word of mouth (E-WOM), which were quite unexpected. Plausible explanations to these anomalies can be found in the innate characteristics of university going students to accept information that can be quite different from the rationality possess by grown up customers.

Finally, the moderate explaining power of this model indicates that there are other independent variables, which were not covered by this study that can influence the brand loyalty of University students. The difference in between R square and adjusted R square reflects the

existence of variables in the model which actually does not impact the university students' brand loyalty.

CONCLUSION

Participation to the social media marketing platforms in Bangladesh has not a long history. But over the last half decade, it has been rapidly increasing. The findings of this research is only limited to the context of Bangladesh, where cultural dimensions have not been captured, if any. Recommendations for the future research are based on the findings and limitations of this research. First of all, as the result indicates, there are more variables left which should be considered in this model to analyse the impact of social media marketing on university students' brand loyalty. Besides, evidences of the inclusion of variables in the model that do not have explaining power were also found. In addition, due to time constraints, the sample size considered here is not enough to have a good picture of the issue, this study deals with. Future research should be done by avoiding the flaws of this study contain in selecting independent variables for the model, and diversifying the sample by including university going students from more areas with added varieties in terms of culture, technology, economic status etc.

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