The effect of social media on brand loyalty

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ABSTRACT. According to the vision of the society to brand trust and brand loyalty, this study is conducted to "investigate the effective factors on the loyalty to the brand in social media with a case study of Samsung brand". This research is important and necessary because we can obtain predictions and plans by the achieved results for the society and the influence of virtual social media as a non-native technology. Therefore, the focus of this research is on the relationships of customers whom use social media and the effects of these relationships on brand trust and brand loyalty in brand society. In this research, descriptive, correlational and causal –comparative methods are used. And users of social media in Tehran city were considered as statistical population, because this statistical population is infinite, 384 samples were selected by simple random method and were studied by standard questionnaire of Michele Laruch et al (2012). Expert’s approval and Cronbach's alpha coefficient test with value of 0.922 and Split- half method with the value of 0.920 were used to measure the validity and reliability of the questionnaire. Then, SPSS software, and uni-variate and multivariate linear regression analysis were used to calculate the effect of each independent variable on the dependent variable and the relationship between them. The obtained results show that social media has positive effects on customer-product, customer-brand, customer-company, customer-other customer’s relationships which in turn has a positive effect on brand trust, and brand trust has positive effects brand loyalty. We have found that brand trust has a quite intermediate role in changing the effects of improved relationships in brand society to brand loyalty. © 2015 Bull. Georg. Natl. Acad. Sci.

Key words: Brand community, brand loyalty, brand trust, Social Media

INTRODUCTION
As it is commonly understood, social media have an influenced on societies as one of this modern world’s phenomenon and as the most controversial applications in virtual communities and network. It should be said that the world is getting smaller with increasing popularity of social networks and may establish close relation between people. Social networks enable consumers to utilize and take the advantages of the technology of the overlapped online social markets. Furthermore, social media could have dramatic effects on marketing culture such as advertising, marketing strategies and purchasing habits. Social media provides an environment where researchers can research. For example, such media provide an opportunity for users to engage in connection and relation through various ways sending email, immediate message, and participating in communities, weblogs and social media (Gold Smith,2006). Consumers usually trust their friends who like them are users than those who are dealing
with marketing and selling products (Schindler, 2001). The survey suggests that Facebook, as a culmination of social media, has over 955 million active users who sign in it every 30 days. Half of the users are signing in systems daily. Users devoted one-third of their time to online social media (Lang, 2010). According to (Hagel and Armstrong, 1997; Kaplan and Haenlein, 2010), regarding the popularity of the virtual community and the capability of providing e-commerce and connecting people to each other, some scholars and researchers in industrial scopes encourage businessman to connect social media and to receive benefits of it if there are tendency to survive. The mission of this study is to emphasize on the relationship of those users who use social media, then the effect of these relations in brand community on brand trust, finally its effects on brand loyalty. Therefore, this paper will illustrate the impact of impressive factors on brand loyalty in social media.

**Theoretical basics**

What is social media? Social media is defined as “a group of internet-based applications that build on the technological foundations of web 2.0, and that allow the creation and exchange of user-generated content (Kaplan, Haenlein, 2010), business or e-commerce may refer to social media as “consumer-generated media (CGM)”. A common thread running through all definitions of social media is a blending of technology and social interaction for the co-creation of value.

_A-Brand community:_ brand community may have a particular interest in around a particular brand. For instance, these brand communities provide a social structure for marketing communication between brand ambassador and customers and have impressive effect on customer’s loyalty and commitment (Muniz and O’ Guinn, 2001). The foremost features that members of such communities share each other consisting creating meaning and talking about it, according to (Mac Alexander et al, 2002). This is analyzed practically-conceptually to achieve dimensions and constituted factors of such communities. Corresponding to social media, consumers of brand communities for participating this have their own motivation. All brands are characterized by a sense of individual availability, either who person is or have a sense of belonging to which group to fulfill the social and psychological needs (Elliot and Wattanasu Wan). What is more, there is a notable tendency to support and to enhance the power of brand communities by companies which are familiar with the benefits of online brand society.

_A-Marketing activities in social media:_ marketing in social media as a process in which provides an environment (websites) where individuals and companies can converse and where companies can promote their products and services online to develop relationship with customers (Weinberg and Tamara, 2009). Weber believed that marketing in social media is not only devoted to multinational corporations but to average or even small companies. Brand ambassadors are trying to capture the power of these networks to promote and advertise their products and initiate close relationship with their customers (Neti, 2011).

_A-The relationship between customer satisfaction and product:_ customer satisfaction will have a significant impact on the present and future life of an organization. A satisfied customer functions as a speaker for advertising company and grabs the attention of everyone to products or services of company (Shen et al, 2000).

_A-The relationship between customer satisfaction and brand loyalty:_ practically the obtained outcomes illustrates the relationship between the consent of customer and loyalty initiate with product, then followed by the relationship between brand and product and finally reach its peak by brand. Recent research found evidence that customer’s satisfaction and brand loyalty has emphasized on brand than products. The customer usually makes a judgment about a product to become aware of the benefits and satisfaction that he committed. By increasing experience, the customer may focus on one brand (Russel et al, 2007).

_A-Relationship between customer and corporation:_ Karvana (et al, 1991) defined marketing as having relationship with customers. In fact, the efficient practical mission of market-oriented corporations is to develop relationship towards customers. The market-based researches reveal that market-orientation embrace customer’s commitment toward the service of organization or brand (Kohli, Jaworski, 1994).

_Brand trust and brand loyalty:_ according to (Schau et al, 2009), there is a theoretical agreement among researches that includes a fundamental result of creation and an increase of brand communities, customer experience in brand communities scopes and establish customer’s commitment toward brand. Even Mac Alexander (et al, 2002) proved that the cumulative effects of improved relationship in customer loyalty. According to studies based on trust and loyalty of customers, trust is found to be one of the fundamental preliminaries that are key influencing factor of brand loyalty (Chiu, Huang, Yen, 2010). According to (Chaudhuri, Holbrook, 2001), brand trust is “an average customer tendency to rely on brand capability for performing their official duties”. When a position of uncertainty offers information asymmetry or fear of opportunism, trust play a vital role in reducing uncertainty and lack of information which leading the customers feel comfortable with their trusted brand (Chiu et al, 2010).we surmise that there are at least two mechanism by which the improved relation between customer and brand could enhance brand trust. First, frequent interactions and long-term relationship as key developing factor of brand trust (Holmes, 1991).
As improved relationship between customers and element of society are necessarily assumed a shortcut of relation and connection, enhancing customer loyalty could have dramatic and positive effects on profitability. Second, some influential writers on brand loyalty claimed that increasing synchronized relationship may occur by sharing information and conveying it among different elements of brand that leads to information asymmetry reduction, uncertainty drop, and increase brand predictability causing an increase in brand trust (Lewiki, Bunker, 1995).

The paper written by Laroche, M, Habbibi and Richard M. o “To be or not to be in social media: how brand loyalty is affected by social media” concern with social media which provides a unique opportunity for brands to grow their relationship with their customers.

This research is an experimental study based on 441 respondents. A research on social media in small business was performed by Rohia Kharava in Malaysia in 2012. The outcomes of this research reveal that social media are efficient and significant in imagination, reinforcing relationship and network between entrepreneurs and customers. Habibi (et al, 2014) in his study, “the role of brand community and society participation in creating brand trust in social media” illustrates that brand community and social media have much in common with each other. Social media provide an ideal environment for creating brand community. This paper will analyze the effects of customer relationship with the elements of brand society in social media (for example, brand, corporations, and customers) toward brand trust by designing a model.

**Research hypothesis**

Hypothesis1: the relationship between customers and Samsung products are influenced by social media based on brand community positively.

Hypothesis 2: the relationship between customers and Samsung Brand are influenced by social media based on brand community positively.

Hypothesis 3: social media relevant to brand community have a positive effect on the relationship between customers and Samsung Corporation.

Hypothesis 4: social media relevant to brand community have a positive effect on the relationship between customers and other customers.

Hypothesis 5: The relationships between customer and product have direct impact on brand trust (Samsung Brand).

Hypothesis 6: The relationships between customer and brand have direct impact on brand trust (Samsung Brand).

Hypothesis 7: The relationships between customer and Corporation have direct impact on brand trust (Samsung Brand).

Hypothesis 8: The relationships between customer and other customers have direct impact on brand trust (Samsung Brand).

Hypothesis 9: Brand trust positively affects brand loyalty (Samsung Brand).

**Research approach**

This study is a descriptive-correlation approach. A descriptive research includes an approach set that aimed at describing conditions or analyzed phenomenon. In this research, essentially the libraries study and paper analysis and analysis of content and internet fieldwork methods such as questionnaires, interviews and observation are used.

The approach of this study is characterized by relationship between variables based on correlation method where the
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focal point is to determine the relationship between two quantitative variables that not only specify this mentioned relation but detect their size and limit. Statistical Population is a complete set of items (people) that share at least one property in common that is the subject of statistical analysis. The applied statistical population for this research includes all users of social media in Tehran. Regarding unlimited features of population, simple random sampling is used in 95 percent of reliability and 5% of acceptable error, the sample size of 384 people is calculated and estimated as following:

$$Z^2 \frac{\alpha PQ}{\varepsilon^2}$$

Where:

In this equation, N (population size) is equivalent to $\varepsilon = 0.05$ the maximum rate of limit error of research and appropriate Variance $PQ=0/25$ and $Z_{0.975} = 1.96$.

For this study, researcher used a questionnaires containing 31 standard question prepared by Loroche (et al, 2012) and the five-choice Likert scale was used to design questionnaires. The first was translated from English to Persian and then a Persian editor revised it. After confirming the validity of content by expert of this filed, the questionnaires are applied for collecting data. For confirming the validity, the standard questionnaires (the Latin research, 2012) experts have these questionnaires at their disposal to specify the accuracy and relevance of questions. Therefore, it is used when it achieve expert’s approval. What is more, Cronbach’s alpha was applied to determine the validity as well. To be more specific, in statistics, Cronbach alpha is used as an estimate of internal consistency (inter-correlation) of all different items that pertain to a certain construct. The cronbach’s alpha varies from zero to one; that is correlation coefficient in different time. The number 1 represents maximum correlation and zero represents minimum correlation. For calculating alpha coefficient of Cronbach , first a variance of scores pertain to scores of each sub-question questionnaires or sub-test and the total variance of total scores should be calculated; then, the value of alpha coefficient will measure as follow:

$$r_\alpha = \frac{J}{J-1}(1-\frac{\sum_j S_j^2}{S^2})$$

Where, J is the number of sub-test of questionnaires or test question, $S_j^2$ is the variance of subtest of J $S^2$: variance of total test.

Higher values of alpha are more desirable, whatever the obtained percentage is close to 100%, and this indicates a greater reliability questionnaire. It should be noted that the alpha coefficient less than 60% are considered weak; furthermore, the appropriate degree of reliability is 70% or higher (more than 80%). Thus, the value of alpha (1) shows very high reliability. To determine the validity of questionnaires, 40 questionnaires were randomly distributed among statistical population with social media users that SPSS software are used where Cronbach’s alpha is 0.922 indicating the appropriate validity. This study uses “split-half model” to compute and analyze the reliability. Therefore, the output of 0.920 closer to (1) provides higher reliability.

Analysis and research findings

Respondent’s demographic characteristic includes groups of age, gender, marital status, how people become familiar with the Samsung Brand, employment status, the level of family income and family membership, their purchase history and education level of statistical sample. From a group with 384members, the second group with age range from 19 to 29 years has the highest frequency in statistical sample. Both gender men and women allocate 49.2 percentages and 50.8 percentages respectively. Groups of married, single, the distribution of higher education in undergraduate groups shows 25.8%, 74.2%, and 50.3% respectively. The majority of customer responding the questionnaires in student group and the majority of respondents with income more than 2million illustrate their proportions 43.8% and 38.5% respectively. 33.1% and 44.8% refers to the proportions of the majority of respondents belonging to four member family and the history of purchasing the Samsung Brand. 45.3 percentages of respondents become familiar with Samsung Brand through their relationship with friends and colleagues.

Testing Hypothesis deals with gathering and recording data or information then followed by applying SPSS software and with regarding Regression testing which involve one or more variables (multivariate testing) analyze hypothesizes. To judge the acceptance or rejection of null Hypothesis, a significant amount can be used. If the value of Sig is greater than 0.05, the null hypothesis is accepted otherwise it is refused. This study use Kolomogrov-Smirnov test (K-s test) for testing normality of data distribution then involves in testing hypothesizes. Moreover, Regression testing is used to measure the impact of each variable on the other.

- H0: the distribution of observation is drawn from normal distribution.
- H1: the distribution of observation is not drawn from normal distribution.
By analyzing K-S test, it is understood that the error of all variables is 0.00 showing the normality of all variables distribution. For analyzing the relation between 7 variables, Regression test is used in which satisfy and illustrate 95% positive and significant reliability.

The first hypothesis outcome: the regression testing for variables of social media based on brand community and relationship between customer and product with reliability factor of 95% and error equivalent to 0.556 is measured which suggest that variables of social media based on brand community are influenced by a factor of 0.556 for relation between customer and product toward Samsung Brand. There is a direct and positive relationship between variable of social media based on brand community and relation between customer and product. All in all, by comparing the first hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen, these are similar and equivalent. The second hypothesis outcome: a direct and positive relationship has manifested between variables of social media based on brand community and relationship between customer and brand. The regression test of social media variables represent the same ratio of reliability factor and error rate of 0.000 is equivalent to 0.464 which indicates that social media variable is influenced by 0.464 factor of the relationship between customer and brand ratio to brand. In overall, by comparing the second hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen, these are similar and equivalent. The third outcome: the regression test of social media variables depending on brand community and relationship between customer and corporation is calculated by a reliability factor of 95% and error rate of 0.000 is 0.511 that indicating the variables of social media based on brand community affected by relationship of customer and corporation with factor of 0.511. In other word, social media variables based on brand community and the mentioned relations have close and positive correlation. In short, by comparing the third hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen (2003), these are similar and equivalent. The forth hypothesis outcome: the regression coefficient test of social media variables depending on brand community and relationship between customer and other customers is calculated by a reliability factor of 95% and error rate of 0.000 is 0.612 that indicating the variables of social media based on brand community affected by relationship of customer and other customers with factor of 0.612. In other word, social media variables based on brand community and the mentioned relations have close and positive correlation. In short, by comparing the Forth hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen (2003), these are similar and equivalent. The fifth hypothesis outcome: Regression coefficient for variables of relationship between customer and product and brand trust with the reliability factor of 95% and error rate 0.000 is 0.595. The relationship between customer and product toward Samsung brand is likely influenced by brand trust factor of 0.595. In other word, social media variables based on brand community and the mentioned relations have close and positive correlation. In short, by comparing the fifth hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen (2003), these are similar and equivalent. The sixth hypothesis outcome: Regression coefficient for variables of relationship between customer and Brand and brand trust with the reliability factor of 95% and error rate 0.000 is 0.540. The relationship between customer and product toward Samsung brand is likely influenced by brand trust factor of 0.540. In other word, social media variables based on brand community and the mentioned relations have close and positive correlation. In short, by comparing the sixth hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen (2003), these are similar and equivalent. The seventh hypothesis outcome: as it is understood from seventh hypothesis and its outcome, it can be clearly seen that there is a direct and positive relationship between customer and corporation and brand trust. Regression coefficient of variables of the mentioned relations with a reliable factor 95% and error rate of 0.000 is equivalent to 0.502. In short, by comparing the seventh hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen (2003), these are similar and equivalent. The eighth hypothesis outcome: Regression coefficient for variables of relationship between customer and other customers and Samsung brand trust with the reliability factor of 95% and error rate 0.000 is 0.399. The relationship between customer and product toward Samsung brand is likely influenced by brand trust factor of 0.399. In other word, social media variables based on brand community and the mentioned relations have close and positive correlation. In short, by comparing the eighth hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen (2003), these are similar and overlapped. The ninth hypothesis outcome: Regression coefficient for variables of brand trust and brand loyalty with the reliability factor of 95% and error rate 0.000 is 0.630. Brand trust factor of 0.630 have an influenced on (Samsung) brand loyalty. In other word, social media variables based on brand community and the mentioned relations have close and positive correlation. In conclusion, by comparing the ninth hypothesis result with outcomes of Michel Laroche (et al, 2012) and Delgado.Ballester, Manuera.Aleman and Yague.Guillen (2003), these are similar and integrated.
Conclusion
This study illustrates the role of brand community in enhancing relationship between customer and elements of brand community. To narrow down, brand community based on social media are trying to provide and advertise their advantages to their members in order to facilitate sharing information and improve customer relationship so that these relationships will integrated to brand, product, corporation, and other customers. These improved relation result in improved brand loyalty that this outcome has much in common with the study of Laroche (et al 2012). However, it is illustrated that brand trust has an intermediation role in relation process. All in all, the outcomes of this study reveal that how social media could provide an environment for brands to achieve desirable output from brand community’s activities that is having loyal customers.

Recommendation
- Considering intermediate variables and harmonizing variables such as brand, culture, features and society facilities in social media is recommended to obtain deep understanding about various relationships in variety of situations.
- According to this study, it is recommended that researchers should research more about negative outcomes of social media on brand community and effective approaches for managing communities should be introduced.
- Longitudinal study is suggested in which brand communities is defined as dynamic phenomenon with dynamic effects and its interactions. One of attractive way to receiving attention for subsequent researches may be pursue this dynamism in social media scopes to specify how outcome will appear throughout time.

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