

## **The Effect of Social Media on Customer-Product Relationship and Customer/Brand in Brand Loyalty**

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**Abstract:** The brand communities and social media have much in common with each other. Social media of an ideal environment is for brand society construction. However, a little research has been done on the advantages and consequences of brand societies in social platforms. This study examines this issue by designing a template. The presented template examines the effect of social media on customer-product relationship and customer/brand in brand loyalty. According to the vision of building brand loyalty and brand trust with literature this study aims to investigate the factors influencing brand loyalty in the social media, the Samsung brand case study was conducted. The importance and necessity of this research is because you can achieve the results obtained in this study for the effects of social media virtual community as a non-native technology to achieve anticipation and plans. Aim of this investigation includes focus on relationship between consumers who use social media. Finally, impact of these relations in brand societies on trust and ultimately brand loyalty. Descriptive-survey methodology was used. Social media users in Tehran City were selected as population of this study. The 384 people were selected randomly by standard questionnaire of Michael Laroch. Validity and reliability of questionnaire were measured. According to results of this research social media impacts significantly on customer-product relationship and customer/brand in brand loyalty. Trust on brand has a mediator role in brand loyalty.

**Key words:** Brand societies, social media, brand loyalty, brand trust, virtual community

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### **INTRODUCTION**

The emergence of social media impacted on marketing activities very much. Established marketing activities are not useful now (Hennig-Thurau *et al.*, 2013). Hence, need to update and understand the social media and further develop specific knowledge required to marketing in social media is increasing significantly. One of the main challenges for marketers includes study their role in social media and the impact of the media on important variables related to the brand (Hoffman and Fodor, 2010). Social network influences marketing cultures including advertising, marketing strategies and purchase habit.

Electronic communities are popular places for research for example, consumers have a chance to contact and communicate with each other. Through various ways such as email, instant messaging, social media and blogs.

Customers usually trust on people who are customers more than sellers. Facebook is the culmination of social media alone has over 955 million active users at least

every 30 days can enter there. In fact, half of the active users are logged each day. In average, consumers spent almost a third of their time on online social media usage. This investigation aims to focus on relationship between consumers who use social media. Also, impact of these relationships in brand societies on trust and brand loyalty is another purpose.

Social media are a group of application programs based on Internet. Based on web technology basis it provides possibility to produce and exchange produced content for users (Kaplan and Haenlein, 2010). Social media in business are described as produced media by users (CGM). A common thread that joins together all the definitions, the combination of technology and social interaction to create collective value.

**Brand society:** The concept of brand community in response to the growing challenge facing marketers was formed. The first was that the difficulty of maintaining relationships with customers one-on-one relationship

marketing was the main idea, despite being a long-term personal relationships with clients in a number of benefits associated institutions (Sheth and Parvatiyar, 2000). Although, cost and time spent for improving relations is increased that makes relationship marketing ineffective.

In a brand society, customers play significant role in society (Muniz Jr. and O'Guinn, 2001). Lack of a strong statistics classification for studying behavior of consumers is the second challenge. Activities and lifestyle of the individual of consumers impact on understand how to spend money and time than usual categories to classify clients such as age and gender are who are more powerful in descriptive power.

According to Weber, marketing in social media is not specifically for international companies. It can be used for average and small companies too. Marketers try to dominate on power of these networks to promote their products by it and have closer relationship with their customers.

Relationship between customer satisfaction and product: customers satisfaction impacts on current and future life of an organization. A satisfied customer attracts more customers for products and services of a company (Shen *et al.*, 2000).

Relationship between customer satisfaction and loyalty to brand: according to results there is a significant relationship between loyalty-satisfaction relationship and product includes product-brand and is increased by brand. Studies of customer satisfaction and loyalty focus more on brand than product. Customer judges on a product to be aware of its interests and satisfaction undertook (Russel *et al.*, 2007).

Brand trust and brand loyalty: there is a consensus among brand researchers. It is a main result of construct and increasing brand societies and experience of consumer about brand society to create loyalty of customer to brand (Chiu *et al.*, 2010). According to McAlexander *et al.* (2002), the cumulative effects of improved relations in a customer-centric model ultimately leads to customer loyalty. According to trust and loyalty

texts, trust is one of main basis of loyalty. According to Chao Dehoori and Hoolberg, tendency of consumer to rely on brand ability to do its formal duty is defined as brand trust. We guess that there are at least two mechanisms by which an improved relationship between customer and brand elements can increase their confidence. Firstly, recurring transactions and long-term relationship is considered as key in developing trust (Holmes, 1991). Improved relations with customers and community elements necessarily increase relationship between brands and customers because brand trust is impacted significantly.

In addition, increasing simultaneous relationship and sharing information and publication among different societies occurs which decreases asymmetry of information it decreases lack of certainty and increases brand predictability (Lewicki and Bunker, 1995) leads to increasing trust.

**Literature review:** According to a research by Marie-Odile Richard (2012) in their study as "being or not being in social media, "loyalty to brand is effected by social media. Social media provide a unique opportunity for brands to improve its relationship with customers. This investigation is an experimental study based on survey with 441 respondents. Another investigation was done by Roohiya in 2012 as reliance on social media in small business in Malaysia. According to this research, using social media is restricted to individuals and goals of business. According to results of this research, social media are significant in illustration, strengthen relationships and networking among entrepreneurs and business customers. Laroche *et al.* (2013) investigated on role of brand society and society participation in making brand trust in social media. It is said that brand societies and social media have many common points. Social media is an ideal environment for making brand society. Providing a template, this study investigates on this topic. The provided template investigates on impact of customer and elements of a brand society in social media (Fig. 1).

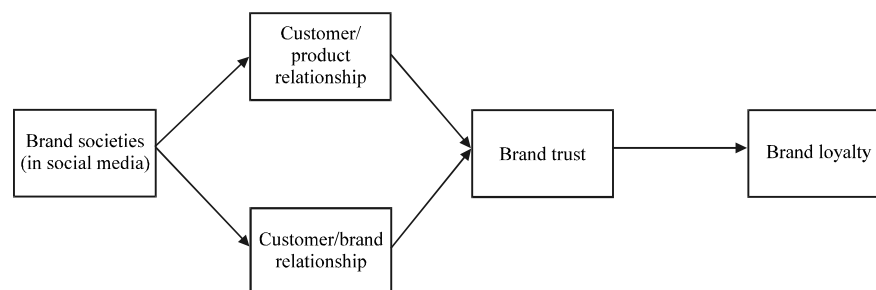


Fig. 1: Conceptual model of investigation (Laroche *et al.*, 2013)

### Hypotheses of research:

- H<sub>1</sub>: social media based on brand societies impact on customer/Sumsung product relationship
- H<sub>2</sub>: social media based on brand societies impact on customer/Sumsung brand relationship
- H<sub>3</sub>: customer/product relationship impacts significantly on trust on brand of Sumsung
- H<sub>4</sub>: customer/brand relationship impacts significantly on trust on Sumsung brand
- H<sub>5</sub>: trust on brand impacts significantly on loyalty to Sumsung brand

### MATERIALS AND METHODS

The research method is descriptive-survey and correlation. Descriptive research includes a set of methods aimed at describing the conditions or phenomena of study. Library, questionnaire, interview were used in this research. It is a correlative research. Determining relationship between quantitative variables is main aim of this research. All users of social media in Tehran City are population of this research. Random sampling method was used. The following formula was used to calculate sample size as 385 people.

$$n = \frac{Z^2_{1-\frac{\alpha}{2}} PQ}{\epsilon^2}$$

In this equation, N = 0.05, PQ = 0.25 suitable variance, Z<sub>0.9</sub> = 1.96. Laroche *et al.* (2013) questionnaire was used including 26 questions. Validity and reliability of this questionnaire was calculated and were confirmed. SPSS was used to analyze data.

### RESULTS AND DISCUSION

Findings of this investigation is presented in descriptive and inferential statistics as follows:

**Descriptive statistics:** Frequency indexes, frequency percentage, measure of central tendency and dispersion were used. Demographic specifications of sample size are provided in this research including age groups, gender, marital status, familiarity with brand, occupation level, family income level, family member number, purchase history, education level of statistics sample members. Accordingly, among 384 people, the most frequency is in second group in 19-29 age group. The 49.2% of them are men, 25.8% are married, 74.2% are single, education distribution level is 50.3%. The most of customers are in educators 43.8%. Income of most of respondents is in a

range >2 million tomans as 38.5%. Actually, 45.3% are familiar with Sumsung brand by their friends and colleagues.

**Inferential statistics:** Regression test was used to test relationship between variables. Kolmogorov-Smirnov was used to test normality of data. Then, hypotheses were tested:

- H<sub>0</sub>: observation distribution follows normal distribution
- H<sub>1</sub>: observation distribution does not follow normal distribution

Error level of all variables is 0 for all variables represents normality of all variables.

**Conclusion of the first hypothesis:** Regression test among social media variable based on brand societies and customer/product relationship with sure coefficient 95% in error level 0 calculated as 0.556, represents social media based on brand societies impact on customer/product relationship about brand coefficient as 0.556.

It means there is a significant relationship between social media based on brand societies and customer/product relationship. Results of hypothesis 1 is consistent with results by Laroche *et al.* (2013).

**Conclusion of second hypothesis:** There is a significant relationship between social media variablebased on brand societies and customer/brand relationship. It means there is a significant relationship between social media based on brand societies and customer/brand relationship. Regression test between social media based on brand societies and customer/brand relationship was calculated as 95% in error level 0.464 represents. Results of second hypothesis is in consistent with results by Laroche *et al.* (2013).

**Conclusion of third hypothesis:** Regression coefficients between customer relationship/product and brand confidence was calculated in 95% confidence level as 0.595. Accordingly, customer/product relationship about Sumsung brand impacted on Sumsung trust as 0.595 trust. Accordingly, there is a significant relationship between customer/product relationship on Sumsung brand. Results of this investigation are consistent with results by Laroche *et al.* (2013).

**Conclusion of fourth hypothesis:** Regression test coefficient between customer/brand relationship and trust on Sumsung brand is calculated as 0.540 in error level 0.

Accordingly, customer/brand relationship on Samsung brand with coefficient 0.540 impacts on trust on Samsung brand. It means there is a significant relationship between customer/brand relationship and trust on Samsung brand. Results by Laroche *et al.* (2013) is consistent.

**Conclusion of fifth hypothesis:** Regression test was used to calculate trust to brand and loyalty to brand under confidence coefficient 95%, error level 0 equal to 0.630 represent a fact as trust on brand with confidence level 0.630 impacts on loyalty on Samsung brand. It means there is a significant relationship between trust on brand and loyalty to Samsung brand. Results of fifth hypothesis is consistent with Laroche *et al.* (2013).

### CONCLUSION

In this study we showed role of brand societies to increase customer relationship with brand society elements. Brand societies based on social media provide some services for their members make easy sharing data, improves relationship between customers. This links customer relationship to brand, product, company, and other customers. The improved relationship leads to improving loyalty to brand which is in line with results by Laroche *et al.* (2013). We represented that brand trust has a mediator role in this process. Totally, according to our results it is clear how social media can has a basis for brands to obtain equal desired result of activities of brand societies which includes having more loyal customers.

### SUGGESTIONS

- It is suggested to study on impact of brand societies on marketing in social media

- It is suggested to investigate on advantages of social media based on brand societies in marketing
- It is suggested to do longitudinal studies

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