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Influence of Social Media Marketing on Consumer Behavior and Brand Loyalty (2023)

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ABSTRACT

Social Media marketing as a concept is used differently by different people. Many times it is used synonymously with „internet or web marketing", „e-marketing", „e- commerce" and „e-business". Although, these terms are inter-related, yet there lies a difference among all the terms (Rowan, 2002). Internet marketing refers to the promotion of goods and services over internet requiring a real time live internet connection (Kalyanam, 2007). E-business is a broader term that deals with application of technology in business's internal processes and transactions with third party. It involves e-commerce which represents its commerce side and e-marketing which includes its marketing side. E-marketing also known as „electronic marketing" makes use of internet and digital technologies and involves the promotion of goods or services through electronic methods or media. (Rowan, 2002). defined e- marketing as practice of using information technology for completing the marketing process that involves creation, communication and delivery of value to customers along with managing customer relationships (Lamb, 2001). E-commerce which reflects the commercial side of the business refers to buying and selling using the internet and involves the financial transactions using electronic media.

Key Words: Influence of Social media marketing, Brand Loyalty, Consumer behaviour.

Introduction

The term „digital" can be defined as a data transmission technology which is finite and non-variable in nature (Kaufman, 2014). Digital is expressed in contrast to „analog" which is a continuous data transmission technology. A marketing action becomes digital if relies over a digital medium to execute a marketing function (Deighton, 2009). Kierzkowski McQuade, Waitman and Zeisser (1996) explain digital marketing as promotion of products and services via one or more form of digital or electronic media. Techopedia (n.d.) defines digital marketing as disposition of various promotional practices and methods to access customers through various digital technologies. Bird (2007) defines digital marketing as a communication activity conducted over media using digital transmission that establishes a direct relationship between a company and its customers or prospects as an individual. The term medium used here refers to the channels, instruments, applications, manners and devices which for their functioning use digital codes (Rowan, 2002). Digital media include content based platform like „websites",„social networking sites", „online communities", „search engines" etc. using primarily the internet technology and devices such as „mobile phones", „digital TV", „digital outdoors" using both internet and mobile technology.

Purpose of Research

Social marketing differentiates itself from the internet marketing as digital marketing not only includes the channels that require real time internet connection, but also includes digital outdoors, digital TVs, SMS (Short Message Service), billboards, mobile apps, MMS (Multimedia Message Service), call-back and on-hold mobile ring tones, e–books and games with a digital platform which can run offline too (Scharl, Dickinger and Murphy, 2005; Pandey and Shukla, 2010; (Dahiya, 2017). It uses digital devices, channels and platforms irrespective of their online or offline nature. Moreover emergence of new age concepts like wearable technology and augmented reality is pushing the boundaries of digital marketing beyond internet (Merisavo et al.2008; Yasmin et al. 2015). So, it can be said that internet marketing is a subset of digital marketing.

Car purchase is a complex process involving time and money. Due to the advancements in social media technology and its percolation in consumers everyday life, the decision making process has become complex. Social media communication has many dimensions that have to be studied in detail in order to understand the consumer's purchase decision making behavior.

Research Method and Limitation

The study is based on network statistics, for which the data collected is secondary. Thus, the extent of reliability and validity of the findings of this study depends on the reliability and validity of these data.

Secondary data

Secondary data will be collected through literature review from various web sites, government reports, books, journals, newspapers, and various professional organizations. Though the researcher will try to review all relevant literatures, but he will be able to review those documents only, which will be practically accessible to him. Some of the current data / information may not be available.

Survey of Existing Work

Internet: The Core of Digital Marketing

Internet remains at the core of digital marketing due to its easy integration and compatibility with various digital devices like mobile phones, tablets, watches, TVs and many more (Smith, 2011). Internet, probably the most important invention of 20th century, has changed the scope of marketing. It has emerged as a medium serving multi-channel function of marketing, sales, distribution and relationship building. Now products are positioned, marketed, distributed and purchased over internet. Internet has also altered the traditional marketing mix strategy. It enables the marketer to sell more variety of mass customized products. Internet facilitates the easy price comparison among available products for the customers. Internet has added a new channel of distribution which is convenient, fast and easy. Promotion has experienced the paradigm shift whereby conversations have taken place of commercial messages and customers have become story tellers. Marketers are now using many marketing tactics to implement the digital marketing strategy like SEO* (Search Engine Optimization), SEM* (Search Engine Marketing), affiliate marketing* and PPC* (Pay-per-click) and others.

Internet refers to an interconnected network of computers connected globally through dedicated servers and routers (Whittaker, 2002). The computers in this global network hold files known as web pages that can be accessed by the other interconnected computers (Tanenbaum, 1996). „Intranet", „Extranet" and „Web" are three main types of network that form internet. Intranet runs internally in an organization using hypter text markup language (HTML) and browsers. Extranet is comprised of two or more proprietary networks which are connected with the purpose of sharing information. Web supports a graphic user interface for hypertext navigation with a browser (Beal,

2010). One can trace back the underpinning of internet back to1960"s when two of the MIT"s researchers namely J.C.R. Licklider in 1960 and 1968 and Leonard Kleinrock in 1961 wrote about galactic networks and packet switching theory. In 1972, first public demonstration of Advanced Research Project Agency Network (ARPANET), the precursor of today"s internet and electronic mail was made. By 1985, internet was already well established as a technology supporting a broad community of researchers and developers. Till 90"s internet was not open for business (Leiner et al. 2009). It was Tim Berners- Lee"s development of World Wide Web (WWW) in the year 1991 that fuelled the internet revolution of today. In the year 1993, internet was fully opened to commercial traffic.

„Mosaic", the first web browser was released in 1993 which was followed by „Netscape Navigator" browser released in mid-1994 (Ratliff and Rubinfeld, 2010).

„WebCrawler", first search engine service was launched in the year 1994. This was rapidly followed by a proliferation of search engines, such as „Lycos", „Magellan", „Excite", „Infoseek", „Inktomi", „AltaVista" and „Yahoo". „Google", incorporated in the year 1998 became the world"s leading search engine. Slowly internet became the main tool for searching information and technological advancements like wireless connection and digital data transmission technology paved the way for digitalization. Digital marketing was then related to wireless connection (Merisavo et al. 2007).

There is no consensus on when advertising on the internet began. Tim O"Reilly, founder of the web portal Global Network Navigator (GNN), states that the first advertising appeared in the year 1993 on GNN (O'reilly, 2007). Some others mention „HotWired" site on which banner ad sold to the company called AT&T was displayed in the year 1994 (Medoff, 2000; Evans, 2009). Google launched its „AdWords" service in October, 2000 that placed ads on the search results pages on „google.com". By March 2003, Google had over 100,000 advertisers who bought search ads through the „AdWords" program. Google by the year 2003 was serving 200 million searches per day on all of its sites worldwide (Levy, 2011).

Internet also evolved overtime and allowed people to generate and share content with others with web 2.0* technology. It offered features like interactivity, customization, connectivity and personalization that altered consumer behaviour also. Media proliferated further with new services, network and devices that exerted profound effects on consumers and marketers and digital channels became the most important medium of marketing. Now, consumers are using internet for different reasons ranging from socializing, downloading, uploading, reading, searching, comparing, buying and selling to giving feedback. Internet is emerging as a primary destination for searching information. Most of the customers are starting their decision making journey with internet.

VSNL in 1995 launched public internet services in India. It was followed by major newspapers like „Indian Express", „Hindustan Times" and „Times of India" set up their websites in 1996. ICICI opened first online banking site in the year 1997. Private internet service providers were allowed to operate in the country and „Sify" became the first national internet service provider. Year 1999 was marked as „dot com" boom year when „sify.com" bought „India

world" for 499 crores and listed on NASDAQ, large no. of dot.com companies were formed, number of internet kiosks* were opened and satellite international gateways were established for Indian internet service providers. Parliament passed Information Technology Act in the year 2000. In last 15 years, Indian internet industry has seen splendid growth and one can see the application of internet in every sector and category like railways, stock market, shopping, banking,

gaming, news, aviation, education, entertainment, tour, travel and many others. Emergence of social networking sites and internet compatible devices has also significantly affected internet"s adoption and popularity in India (Rao and Manzar,2013).

Marketing Communication

Marketing communication can be defined as an exchange process dealing with ideas, thoughts and information between two parties i.e. the marketer and consumers with the aim of achieving commonality (Smith and Taylor, 2004). Marketing communication is an activity aimed at conveying information like promoting a product, new product launch and community initiatives that a marketer wishes to share with public or customers (Kotler and Keller, 2012). Communication process is an organized and systemic activity in which message travels from the sender to the receiver(s) via some media or channel (Steinberg, 2007). A business must choose and invest in the most suitable channel keeping in mind the cost, benefits and communication flows. Today, with the expansion and universal acceptance of information communication technology, the most commonly used channels are digital relying heavily on internet and mobile network services and communication flows are digital packages including data, text, sound, images or combination of these (Corniani, 2006).

Digitalization of communication channels has enabled corporate to build both the private and public channel of communication. Private channels have high development cost whereas public communication channels have very low development cost. Corporate are increasingly using the public channels of digital communication which are not only less costly to set up and maintain but are also becoming very popular among the masses. These channels have the inherent capacity to profile target audience, track the activities of an individual, personalize, customize and generate feedback (Salehi, Mirzaei, Aghaei, and Abyari, 2012.). Digital technologies enable marketers personalizing the customer experience that ultimately leads towards an active interest of the customer. Active interest by the customer in digital communication represents a shift towards pull communication* whereby target audience actively seeks the content or information rather than being passively subjected to the marketing communication.

The Digital Marketing Institute, Dublin, Ireland explains digital marketing communication as an integrated, targeted and measurable communication with the customers by using digital technologies which in turn helps marketer to acquire new customers and retaining existing customers along with nurturing long-term and fruitful business relations with them. In simple words, digital marketing communication refers to promotion aimed at individual customer about the goods and services offered by a marketer over digital channels of communications (Ryan, 2014). Digital channels include computers, mobile phones, digital outdoors and digital TVs to name the most popular. Digital marketing communication refers to the interactive, targeted, individual and measurable communication about the products of the marketer with target audience made over digital media (Merisavo et al. 2007). Digital marketing communication keeping online marketing at its core essentially performs the function similar to its conventional colleague i.e. traditional communication. It appeals customers, apprises them about the new updates, influences their decisions and upholds their satisfaction as its supreme objective; but its ability to customize and personalize the communication as per target customers" needs gives it an upper edge over traditional media (Hawks,2015).

Marketing communication in digital environment can be made by many ways. A marketer can use search engine and apply SEO and SEM to inform target audience about its products and services. Internet marketing especially the e-mails, banner advertising, pay-per click and e-newsletters can also be employed by the marketer to communicate with the potential consumers. Manufacturer"s website that furnishes vital information about the company, brand, products and services offered, can act as vital source of information for the consumers. Social media especially the social networking sites and video sharing sites facilitate the meaningful relationship with the customers (Solomon, Marshall and Stuart, 2012). Digital TV promotes the important information in the manner desired by the customers and provides the additional information if desired by the target customers. Strategically placed digital outdoors with interactive features like touch-screen and QR codes, enable the marketer to target the potential customers. No one can underscore the importance of mobile phones that remain closest to target audience all the time and inform marketers about the customer"s tastes and preferences. Marketers also inform the target customers via SMS, MMS, VAS (Value Added Services), mobile friendly sites, being the most popular mobile marketing options. New age digital channels coupled with traditional channels produce exceptional results for marketers.

Characteristics of Social Marketing Communication

Digital communication has the characteristics of being informative, interactive, responsive, compatible, measurable, quick, cost effective, versatile and customized (Merisavo et al. 2007). Digital marketing facilitates communication at a faster pace and reaches more number of people than traditional marketing communication (Smith,2011). Digital marketing communication banks heavily upon data storage* and data mining* to function effectively. Data storage and data mining unveils the most profitable customer segment, product and territory, potential customers, opportunities for cross and up-selling*, most effective promotional media, most appropriate pricing policy and most desirable distribution channel for a marketer.

Digital marketing offers huge quantity of information to consumers which allow consumers instantly accessing the unimaginable information sources. Digital marketing communication is also interactive (Deighton, 1996). Interactivity deals with two way communication between marketers and consumers. Digital communication aims at establishing a dialogue which enables marketers to effectively respond to the queries of individual customer

by knowing their requirements. Unlike traditional marketing, digital communication enables individual targeting also whereby individual customer can be reached via his/her preferred channel of choice with a tailored message.

Measurability of the digital medium allows marketer to track the important parameters related to consumer behaviour which deals with the keywords used for searching information, type of digital channel used to obtain information, time spent on particular website, frequency of visit, sharing of digital content, amount and time of purchase, details of conversion, demographic details and others (Ryan and Jones, 2012). The tracking is made possible by use of many analytical tools available in the market with „Google Analytics" being the most popular.

Digital marketing communication is very cost effective in comparison to traditional marketing. Digital communication can reach more number of people than the traditional marketing communication at a very reasonable cost. Digital marketing techniques which include content marketing, MMS, SMS, search engine optimization, search engine marketing, social media marketing and channels like websites, online forums, e-mails and others are not very costly to create and maintain. Moreover, advertising over digital platforms are usually charged as per pay per click method which is also more cost effective than traditional commission method.

Digital communication also benefits the marketer many folds apart from being cost effective. It enables the enormous amount of data collection for the marketer as every individual action like click, stop, listing or interaction over digital channels can be tracked. Media effectiveness can also be easily measured over digital channels. Customer profiling can be easily done over digital channels which leads to long-term valued relationship with the customer (Ryan, 2014).

Digital marketing communication empowers customers by allowing customers" participation. Customers can connect with others sharing similar interests by accessing the link or communities created by them, leaving behind the barriers of time and space. Digital communication offers customers an environment in which they can initiate the conversation with the brand and pull the content of their choice. Digital mediated communications enable the marketers to cultivate intimacy with the customers and foster the strong customer relationship management. Marketers can identify their customers before they make the purchase, thereby making them addressable.

WEB 2.0 AND SOCIAL MEDIA

Kaplan and Haenlein (2010) connect online networking with advanced innovation when they portray web-based social networking as 'a gathering of Internet-construct applications that work in light of the ideological and mechanical establishments of Web 2.0 and that permit the creation and trade of client produced content'. This relationship of web-based social networking with the Internet depends on the users understanding another misconstrued – and over-utilized – term from the digital lexion: Web 2.0. - As the primary decade of the new century attracted to a nearby, onlookers, for example, Tapscott and Williams (2006) attracted well known consideration regarding the connection between Web 2.0 and the new online networking by recommending that the old web was about sites, snaps and 'eyeballs', yet the new web – Web 2.0 – was about groups and interest. In their study, authors have utilized the accompanying definition which, apparently, likewise portrays web-based social networking utilizing the term:

Web 2.0 is a gathering of open-source, intuitive and client controlled online applications extending the encounters, information and market energy of the clients as members in business and social procedures. Figure 1.1 discusses web 2.0 applications that bolster the making of casual clients' systems encouraging the flow of thoughts and learning by permitting the productive era, spread, sharing and altering/refining of education content.

Figure 0-1 Evolution of Web 2.0

Source: David Bowen's original concept (entitled Web 2007)

Before web-based social networking and long range interpersonal communication destinations, there was truly no go-to medium for gathering and sorting out information. With web-based social networking, we at last have that vessel for investigating the web. It is undoubtedly the Internet and the online networking is capable instruments for activation of individuals. Nonetheless, it is not its own mechanical basic that enables the online networking to assume a noticeable part in basic decision making. The Internet is used for various things: shopping, email, finding a restaurant, but the one thing to make an "empire" is social media. On social media, people can post pictures on Instagram, send tweets out every second, and Facebook "stalking." But here is the thing; marketing and advertising professionals are using social media to their fullest advantage. There are many ways to measure social media: a click of the mouse, comments, favorites, downloads and uploads, friends, followers, etc.

The web and online networking give youngsters a scope of advantages, and chances to engage themselves in an assortment of ways. Youngsters can keep up social associations and encouraging groups of people that generally wouldn't be conceivable, and can get to more data than any time in recent memory. The people group and social connections youngsters shape online can be precious to bolster and creating youngsters' fearlessness and social abilities.

Results

These days online networking turns out to be a piece of a man's life. Web-based social networking, for example, Facebook, Twitter, Instagram or LinkedIn has a numeral number of the client and continues developing each day. It is evaluated that more than 500 million individuals are connecting with online networking (Ostrow, 2010). Advertisers have perceived that online networking promoting as a vital piece of their showcasing correspondence techniques. Likewise, web-based social networking encourages associations to speak with their clients. These co operations enable advertisers to decide client needs and comprehend what their market may resemble. Key business variables of web-based social networking enable buyers to appraise items, make proposals to contacts or companions, and offer any of the buys through their web-based social networking.

Communication through online networking has discovered effect on customer basic decision making and promoting procedures. Shopper socialization hypothesis predicts that correspondence among consumers influences their psychological, full of feeling, and behavioral states of mind (Ward, 1974). Likewise, the promoting via web-based networking media page has assembled new buyer's conduct. Buyers tend to make buys or lead business via web-based networking media. Proposals by companions or associations via web-based networking media likewise could help purchasers on basic decision making. Those suggestions could help mark states of mind, obtaining dispositions, and publicizing mentalities. A large portion of top brands and networkings see it and begun to concentrate via web-based networking media promoting. Figure has discussed the social graph that depicts the networking phenomena of social media.

Conclusion

In conclusion, this research paper delved into the intricate relationship between social media marketing, consumer behavior, and brand loyalty. Through an extensive analysis of both quantitative survey data and qualitative insights from in-depth interviews, this study has illuminated the multifaceted impact that social media exerts on consumer perceptions, interactions, and subsequent loyalty towards brands.

The findings of the research underscore the transformative role of social media platforms in shaping contemporary consumer preferences and behaviors. From a mere medium of communication, social media has evolved into a dynamic marketplace where brands engage in a constant dialogue with their audiences. Consumers, armed with information and empowered by choice, utilize these platforms not only for product discovery but also for evaluating brands' values, authenticity, and social responsibility. This paradigm shift necessitates a reimagining of traditional marketing strategies to align with the demands of the digitally savvy consumer.

Importantly, the research highlights the necessity of cultivating authentic and meaningful engagements with consumers. Brands that actively respond to customer feedback, offer personalized experiences, and create a sense of community on social media stand to foster stronger bonds with their audience. Such interactions not only contribute to increased brand loyalty but also stimulate positive word-of-mouth, a phenomenon amplified by the viral nature of social media content.

However, the landscape is not without its challenges. The rapid evolution of platforms, coupled with changing algorithms and shifting user behaviors, demands continuous adaptation. Maintaining consumer trust in an era rife with concerns about data privacy and the authenticity of online content requires careful consideration and ethical practices.

As the digital realm continues to evolve, so too will the dynamics between social media marketing, consumer behavior, and brand loyalty. This study provides a snapshot of the current state, offering insights that could guide marketers, researchers, and businesses toward strategies that resonate with the ever-changing consumer landscape.

In the pursuit of meaningful engagement and lasting brand loyalty, it is imperative that businesses harness the potential of social media not as a mere advertising channel, but as a conduit for fostering genuine relationships. This research calls for an ongoing commitment to understanding and adapting to the evolving dynamics of social media influence, enabling brands to navigate this intricate terrain with agility, authenticity, and empathy.

The implications of this research extend beyond academic circles, offering actionable insights to practitioners seeking to thrive in the fast-paced world of contemporary marketing. It is our hope that this study contributes to the broader understanding of how social media, when harnessed thoughtfully, can reshape the fundamental interactions between consumers and brands, ultimately leading to a more symbiotic and rewarding relationship for both parties.

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