



Relation Between Social Media Marketing And Customer Retention

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ABSTRACT :

In old days, customer retention was still essential but it took place using offline methods like telephoning the customers, or by providing very good service to them etc. But now, computer has entered very deeply into our lives. Everyone, including young and old, sees the social media many times a day. So, a new medium, Social Media Marketing has entered into picture. So, aa the companies are targeting this medium to retain their customers. This article has been written to explore the impact of social media marketing on customer retention and the extent to which the companies should rely on this medium apart from all the other medium.

Introduction :

In marketing, attracting new customers is important but equally important is retaining the old customers. This has got the advantage for the company because if it is able to retaining old customers, the it adds to the customer base because of wide publicity by the old customers.

So, the company implement various technique like personalized interactions, regular engagement like wishing the customers on important occasion, providing very good service to them, issue resolve, updating them about new products etc. The main factor is to engage continuous interactions with old customers so that there is no chance of them to switch over to competitors' brands.

It is a very important factor in business growth because it is more cost effective to retain current customers rather than to acquire new customers. Also, customer retention is directly proportional to customer satisfaction and loyalty, which results in growing brand reputation, by leap and bounds.

In traditional marketing, use of call centres was the only method to retain old customers. So all the companies where having tie up with call centres, and they were working round the clock to retain old customers. In todays times, use of call centres is still there but the use of computers has also come to picture.

The reason is very simple. In todays world, it is very difficult to find a person to is not addicted to social media like Facebook, Instagram, Twitter, Whatsapp etc. So, the companies find the use of social media to be more effective medium to converse with old customers, and that too at very less cost. So, in the coming section, the article with find out various aspects related to social media marketing and its correlation with customer retention.

Social Media Addiction

Before we move on to develop correlation between social media marketing and customer retention, it is very much essential to know the growth rate of customers who are using social media. According to a survey, the following graph is developed:

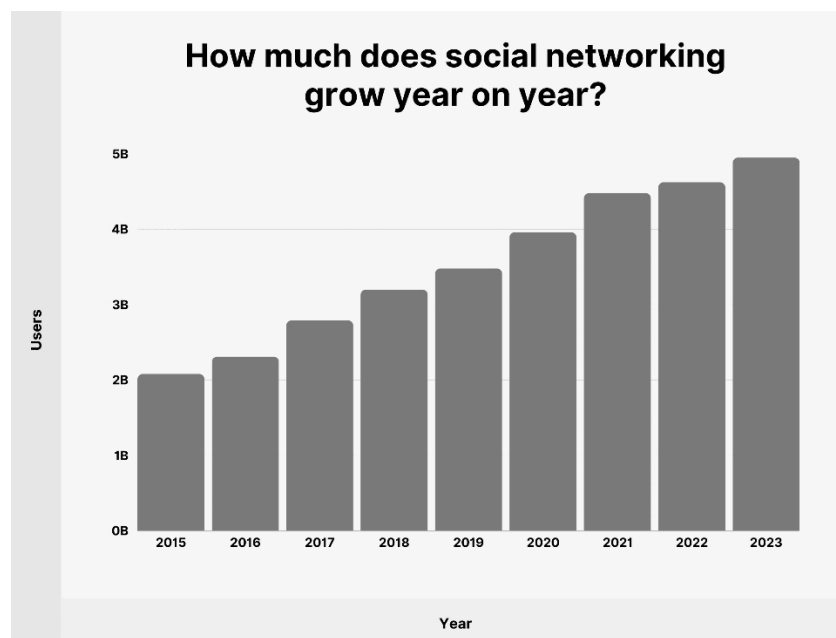


Figure 1: Users and the year

(Source: <https://backlinko.com/blog/authors/brian-dean>)

Converting the above graph into social media growth statistics, following figures are derived:

- 2023: 4.950 billion active users (+7.07%)
- 2022: 4.623 billion active users (+3.19%)
- 2021: 4.480 billion active users (+13.13%)
- 2020: 3.960 billion active users (+13.7%)
- 2019: 3.484 billion active users (+9.2%)
- 2018: 3.196 billion active users (+9.0%)
- 2017: 2.796 billion active users (+21%)
- 2016: 2.307 billion active users (+11%)
- 2015: 2.078 billion active users

So, it can be expressed that the audience are growing at a very fast pace and there is no possibility of them slowing down. That is why, in the heading, it was written “Social Media Addiction”. Everybody, who uses computers or mobile phones is attracted at once to these social media platforms. So, the companies and firms are also attracted to this platform for a different purpose – to advertise their product and service at a much cheaper cost with mass following much more than any traditional platform.

And if only small percentage of social media users are converted to customers, then also it is a huge number due to large population who is using social media. According to a recent survey, the following figures have been derived:

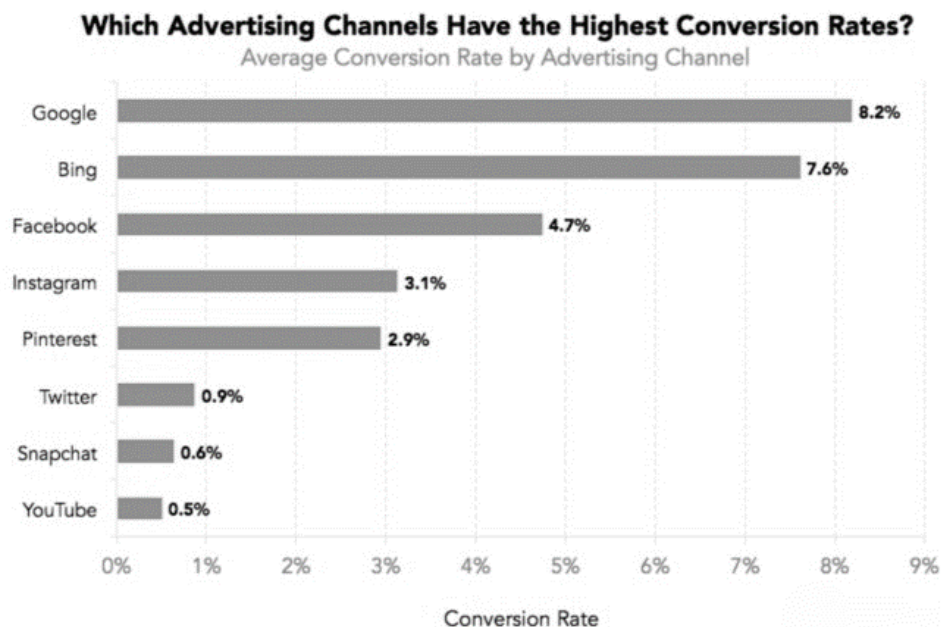


Figure 2: Conversion rates of different social media platforms

(Source: <https://www.rivaliq.com/blog/social-media-advertising-trends/>)

This figure is tremendous because if it is converted to numbers, that figure will be huge.

The above two graphs give the answer to why companies are equally attracted to social media platforms as the audience are attracted.

Corelation between Social Media platforms with Customer Retention?

After having established the reasons of companies being attracted to social media platforms, now is the time to establish the relation of social media platforms with customer retention. There are various reasons to establish positive corelation between the two.

1. Relationships and Eventually Trust building

The social media platforms allow the companies to respond promptly and fast to customer questions, inquiries and all sort of messages, which leads to building of trust and strong relationships. This allows companies to build customer-oriented screen interface that is boost to building trust with the customers.

In all essence, regular consistency is crucial in building trust and fostering relationships.

2. Providing Customer Support to maintain relationship

Companies offer continuous support through various social media marketing channels such as chat, email, and phone. One latest

example is dishwasher, purchased by author, who is delegated to have company representative on Whatsapp chat, who is available round the clock, if any need arises. The company name has been kept secret to prevent any bias in the article.

3. **Creating and maintain the Social Community**

Companies host regular social community events e.g. webinars, or live question and answer sessions, regular social gatherings on some important dates etc. to promote interaction and connection between the customers. In addition, companies also create social media groups where customers can share their experiences, whether good or bad, offer advice, and give many suggestions, which can be used for further improvements in product, service or after sales service. It may also include customer contests, showcasing customer stories, focussing customer testimonials etc.

4. **Encouraging User Generated Content**

Companies also motivate customers to share their good experiences with your product or service on various social media platforms, which they regularly use.

It is user generated content, that is used by social media marketing channels, to give more personalized appeal to the page that a particular customer is visiting. One particular example is popular shopping site (whose name cannot be disclosed to maintain free from bias), who is modifying the pages according to taste of customers. All the contents of particular page are modified according to preference of that particular customer. This gives a slightly homely feel to that particular website.

This, and more technique and strategies are adopted by the companies regularly and modified frequently in order to maintain or increase the rate of customer retention.

In next section, we will take a look at various social media platforms, which are more prevalent among the audience and obviously customers, and which ultimately attract the companies to cater to customer retention problems solutions.

Various popular social media marketing platforms

There are many social media platforms created for social meeting needs. But some of them have grown really popular in the sense that they are having many customers at present, and which are growing year by year. Some of them are as follows:

1. Facebook: This is most popular social media platform, that have grown tremendously in last years. The audience are tremendous and if we open the facebook, the discussions are on various topics, virtually infinite.
2. This has attracted many companies who have opened their pages on facebook, and as shown in the graph in previous pages, the rate of customer retention is quite high in this platform.
3. Instagram: When a Instagram social media page is opened, there are many post from users and equally are posts from companies also. The reason is very simple – the companies create a visually appealing Instagram profile of their company and they continuously interact with their customers, including potential ones through demonstrations, testimonials and replying to customers' post.
4. Twitter: Same is case with twitter. Creating visually appealing profile, continues two way engagement with customers through direct posts, giving quick service to the complaint from customers etc. It also engages in utilizing polls to judge customers response, using twitter chats etc. to make it more personalized for every customer.
5. LinkedIn: In the B2B segment, LinkedIn has got the first position. It utilizes share industry insights, company updates, and engaging content to attract the customers to their page. Many companies have increased their client base by regularly posting informative content and are continually updating that information. This leads to converting customers into loyal customers.
6. Whatsapp: One most common social media platform is whatsapp. You talk of any company, and they will have a whatsapp number to actively converse with their customers. As mentioned earlier also, one product service centre is having a whatsapp number and the author can complain anytime about the product or request for a service.

This, and many more are popular social media marketing platforms used by various companies, and the conversion rate is quite high, as seen in the previous sections.

Thus, it is established that apart from using traditional channels like personalized meeting, contacting on phone etc., modern technique of social media platforms may be used to convert customers into loyal customers using various retention techniques.

But, there has to be some tips while using social media platforms. These tips are discussed in the next section.

Tips while Social Media to attract Customer Retention

As discussed in the previous section, social media is one additional platform, and very important one for retaining customers. But, there are some tips which should be followed by companies to attract and retain old customers. It will help the companies because this will force the customers to come back for more product, service or after sales service. These tips are as follows:

1. Continuously engage with old customers: One very common mistake is that page is created on social media platform and the companies sit back relaxed that customers will be retained. But, it is not true. Companies have to continuously engage with old customers through prompt response to customers messages, issues, revolving those issues, creating interactive posts, showing apperaction to customers for their dialogues, updating the page etc. Also, it is essential to encourage two-way communication.
2. Offer Exclusive Deals and Promotions: It is essential to offer deals to old and loyal customers e.g. early access to sales or limited-time offers, offering loyalty programs with tiered rewards to boost repeat purchases which will result in strengthening customer loyalty, personalize deals based on customer preferences and purchase history to increase relevance and appeal of pages etc.

3. Use personalization for every customer: That is done by using purchase history which shows preference towards personalized products or services. In addition, this personalization is also boosted up by sending customized emails addressing customers by name and providing personalized tailored messages. Also, personalized content on your website can be shown to showcase personalized page based on individual customer behaviour.
4. Continues monitoring and Responding to Feedback: It is essential to know old customers response to page by using feedback channels. This may include surveys, or direct phone talk with old customer. After getting the feedback, it is equally essential to monitor feedback promptly. That can be done by regularly check feedbacks to ensure that no customer input goes unnoticed, categorize feedback into different categories, such as product quality, customer service, or overall experience, response plan is developed etc.
5. Measuring the Success of Social Media Retention: It is crucial for companies to measure the success of social media customer retention strategy. This can be done by surveys which will show Customer Engagement, Customer Churn Rate, identify Trends and then implement Solutions which will be proactive measures, rather than reactive measure.
6. Analyse Social Media Metrics: It is done continuously because every social media has got different bits of audiences and it is absolutely essential to know which social media platform is leading the competition.

If these tips are followed by the companies, it is quite clear that they will engage in retaining old customers, which will be helpful to gain new customers also. One thing is utmostly clear – whether social media is liked or not liked, but it has to be used to help in retain old customers.

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