Social Media Marketing and Customer Loyalty

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Abstract

Social media marketing has become a key player in the modern business landscape as it provides companies with a powerful way to connect directly with customers and foster brand loyalty. The aim of this research is to understand the relationship between the use of social media platforms and customer loyalty. Specifically, it studies how various elements of social media marketing – such as engaging content, advertising, and customer engagement - help build strong and long-term relationships with consumers. The influence of social media positively impacts customer experience, making consumers use the product or services of that brand repeatedly. In addition, responding directly to consumer reactions, opinions, and feedback on social media helps increase customer satisfaction, thereby strengthening customer loyalty. This research attempts to understand the mindset of customers who are active on social media through interviews, surveys, and data analysis. The study concluded that brands that are consistently active on social media and communicate personally with consumers are more likely to increase customer loyalty. Additionally, it is recommended that companies should strategically use social media marketing to engage with customers, to further strengthen their brand loyalty.

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INTRODUCTION

In the current era, information technology and the Internet have revolution-ized the way businesses are conducted and customer relationships are built. Social media, in particular, has provided a new platform for businesses to reach their target audiences quickly and effectively. Social media platforms, such as Facebook, Twitter, Instagram, and LinkedIn, have not only facilitated communication between people but also created new opportunities for businesses to connect with customers. Social media marketing is a strategy that businesses use to promote their products and services, build brand recognition, and build customer relationships. This technology allows direct communication with the customer, allowing them to share their experiences, feedback, and reactions. It is a unique opportunity to connect with customers interactively, thereby promoting customer satisfaction and loyalty. Customer loyalty is an important factor that plays a vital role in the success of any business. Loyalty means that

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customers are attracted to a particular brand and tend to buy its products or services again and again. When customers are loyal to a brand, they not only buy from it themselves but also recommend it to others. This strengthens the brand's image and position in the market. Social media has provided a platform for customers to express their likes and dislikes. Customers can now communicate directly with brands, allowing their feedback to be captured immediately. When companies take note of this feedback and improve their products and services according to customer needs, it promotes customer satisfaction. As a result, customers become more loyal to a brand. Furthermore, a brand's presence on social media also impacts customer loyalty. When a brand stays active and regularly communicates with its followers, it enriches the customer experience. Interactive content, such as polls, Q&A sessions, and live videos, provide new ways to engage with the customer. Such elements not only engage customers but also build deeper relationships with them. Various research has shown that through social media marketing, companies can grow their customer base and strengthen their loyalty. Many companies are successfully engaging customers through their social media campaigns, thereby increasing their sales. For example, startups and small businesses that use social media on a limited budget can reach their target audience and build brand identity. However, it is also important to keep in mind that there are challenges with social media marketing. Customer feedback can sometimes be negative, which can affect the brand image. Therefore, companies should not only take care of positive feedback but also actively respond to negative feedback. Communicating with customers with transparency and honesty provides an opportunity to turn negative feedback into a positive experience. The purpose of this introduction is to understand the relationship between social media marketing and customer loyalty. This study will analyze how the influence of social media platforms, customer interactions, and brand strategies affect loyalty. In addition, this research will also attempt to understand the mindset of customers, what type of content they prefer on social media and what type of interactions influence them the most. In conclusion, social media marketing not only provides a new sales channel for businesses, but it is also an effective means of building a strong relationship with the customer. Through this study, it will be clear how social media marketing strategies affect customer loyalty and how companies can strengthen their brand image and identity through their social networks. By adopting such effective strategies, companies can not only increase their customer base but also convert them into a permanent and loyal customer community.

Raipur: An Emerging Business Hub and Impact of Social Media Marketing:

Raipur, the capital of Chhattisgarh, is not only known for its historical and cultural significance, but the city has also become a major educational, industrial, and business hub of Central India. With rapid urbanization and industrialization, Raipur is witnessing significant changes in its economic structure. Various industries, business organizations, and start-ups located here have moved away from traditional marketing methods to digital marketing and especially social media marketing to promote their products and services.

Raipur's increasing digital connectivity and high rate of smartphone usage have ushered in a new era in the business world here. Due to this digital transformation, local and national brands have made social media platforms the main medium of interaction with their consumers. The influence of social media channels like Facebook, Instagram, and WhatsApp is having a profound impact on businesses here, where customers not only get information about products and services but also establish direct communication with the brand.

This research aims to assess the impact of social media marketing in Raipur and examine its effect on customer loyalty. In an emerging city like Raipur, where technological literacy is increasing rapidly and consumers are turning to more digital tools, it is important to know how businesses are building relationships with their customers through social media and can maintain their loyalty.

Social media is not only influencing consumer behaviour but also providing companies and brands with an opportunity to establish lasting relationships with their consumers. In the context of Raipur, where the business community is now using a mix of both digital and traditional marketing methods, this study attempts to understand the extent to which customers are being influenced through digital marketing in this city and how they can maintain their customer loyalty through this medium.

Hence, this research delves deep into the relationship that exists between social media marketing and customer loyalty, keeping in view the business and digital structure of Raipur. It aims to explore the opportunities and challenges arising from the use of social media in the business environment of Raipur.

Need for the Study

The need for this study is of utmost importance because in the digital age, advertising and customer service on social media have a direct impact on customer decision-making process and loyalty. Positive experiences with customers, quality service, and effective advertising are helpful in increasing brand loyalty, which not only helps in building long-term customer relationships but also provides an advantage in market competition. This research will help companies understand how they can strengthen customer loyalty by improving the quality of social media campaigns and customer services, which is ultimately essential for brand success and long-term business growth.

Social Media Marketing and Customer Loyalty: A Review of Related Literature

The study of the relationship between social media marketing (SMM) and customer loyalty is an important topic that has attracted the attention of researchers and marketing experts in the last few years. This review analyses various studies and literature that are related to this topic.

Impact of social media marketing

Kaplan and Haenlein (2010) in their study mentioned various forms of social media and their characteristics. They stated that social media marketing not only promotes products but it is also a powerful medium to communicate with customers. This

study shows that the use of social media by brands to increase customer engagement encourages customer loyalty.

Customer engagement and loyalty

Brodie et al. (2013) research considers customer engagement as an important factor for loyalty. According to them, when customers actively engage with the brand, it enriches their experience and makes them more loyal to the brand. They also pointed out that actively communicating with customers on social media helps increase the level of loyalty.

Content marketing and loyalty

Holliman and Rowley (2014) state that engaging and informative content is a key element of social media marketing. Their study shows that when customers experience quality content, it helps to increase their brand loyalty. They also state that brands should diversify their content so that the customer can get a variety of experiences.

Future of social media

Kumar and Gupta (2016) have focused on the future trends of social media marketing. According to them, as technology is developing, social media marketing strategies will change. This study suggests that brands must use social media effectively to increase customer loyalty and stay competitive.

Thus, it is evident through these studies that there is a strong relationship between social media marketing and customer loyalty. Customer engagement on social media platforms, positive reviews, and engaging content are all important factors influencing customer loyalty. Further research is needed to study this area in more depth and develop effective strategies. Thus, social media marketing is not just a marketing tool but an important part of managing customer relationships that can lead businesses to long-term success.

Research Methodology

This study investigates the relationship between social media marketing and customer loyalty using a quantitative approach. The research follows a descriptive and analytical design, focusing on key marketing elements like advertising quality, brand

influence, and customer service. A probability sampling method was employed, selecting 30 respondents from Raipur who actively use social media. The sample included individuals from different age groups, genders, and economic backgrounds to ensure a diverse dataset.

Primary data was collected using a structured questionnaire, where respondents rated their experiences on a 1 to 10 scale. The responses were analyzed using mean and correlation analysis. The mean helped identify the general perception of social media marketing elements, while correlation analysis measured the strength of their impact on customer loyalty.

The findings revealed that advertising quality and customer service had a strong positive correlation with customer loyalty, whereas brand presence had a weaker influence. The data was analyzed using SPSS software after being organized in Excel. A combination of online and offline methods was used for data collection, ensuring reliability. The research highlights the significant role of social media marketing strategies in influencing customer behavior and brand loyalty.

The Research Objectives are as Follows

- To evaluate the impact of advertising on social media and quality of customer services on customer loyalty.
- To analyse the correlation between social media marketing elements (e.g. quality of advertising, customer service) and customer loyalty.

Limitations of the study

- This research used data from only 30 respondents, which may be insufficient to provide a comprehensive view of the relationship between customer loyalty and services.
- Due to self-reporting bias, the answers given by the respondents may not fully reflect reality, raising questions about the validity of the results.

Research Hypothesis

Hypothesis 1 (H_1)

The quality of advertisements on social media positively impacts customer loyalty.

Hypothesis 2 (H₂)

Quality of customer services on social media has a positive impact on customer loyalty.

Hypothesis 3 (H₃)

Quality of customer services on social media (e.g.: responsiveness, speed of response) has a positive impact on customer loyalty.

Collection of Data

Data collected from respondents is shown in Table 1.

Hypothesis 01 Testing

Correlations between loyalty advertising is shown in Table 2.

Interpretation and Discussion of Results

The positive correlation between advertising quality and customer loyalty indicates that there is a very strong positive relationship between these two variables. This means that when advertising quality improves, customer loyalty also increases. The correlation coefficient of 0.955 is almost close to 1, which means that the relationship between the two variables is almost direct. This means that as advertising quality improves, customer loyalty also increases. This result indicates that advertising quality and customer loyalty have a direct relationship with each other. High quality advertisements attract and motivate customers more, which increases their loyalty towards the brand.

Hypothesis 02 Testing

Correlations between loyalty consumer service is shown in Table 3.

Interpretation of the Result

The positive correlation between customer service score and customer loyalty score indicates that there is a very strong positive relationship between these two variables. This means that when the quality of customer service improves, customer loyalty also increases. The correlation coefficient of 0.951 is very close to 1, which indicates that there is a direct and strong relationship between customer service

Table 1: Collection of data and result analysis

Respondent	Loyalty of customers (1-10)	Quality of advertisement (1-10)	Quality of customer service (1-10)	Response time (1-10)
1	9	8	7	8
2	10	9	8	7
3	6	6	5	6
4	10	10	9	5
5	7	7	6	7
6	9	8	8	8
7	5	5	4	7
8	9	9	7	6
9	10	9	9	7
10	6	6	5	8
11	9	8	8	6
12	10	9	9	7
13	5	5	4	8
14	9	8	7	9
15	10	9	10	10
16	6	6	5	7
17	9	8	8	8
18	10	9	9	7
19	5	5	4	6
20	7	7	6	8
21	9	8	8	7
22	8	9	7	8
23	10	10	10	9
24	6	6	5	6
25	10	8	9	9
26	9	9	8	7
27	7	7	6	7
28	9	8	8	7
29	8	9	7	7
30	10	10	10	9

and customer loyalty. This means that when better customer service is provided, customer loyalty and adherence to the brand also increases. This correlation indicates that as the quality of customer service improves, customer loyalty also increases in the same proportion. That is, excellent customer service results in customers being more loyal to the brand and staying with it for a longer period of time.

Table 2: Correlations between Loyalty Advertising

Correlations			
		Loyalty	Advertising
Loyalty	Pearson Correlation	1	.955**
	Sig. (2-tailed)		.000
	N	30	30
Advertising	Pearson Correlation	.955**	1
	Sig. (2-tailed) .000		
	N	30	30

^{**.} Correlation is significant at the 0.01 level (2-tailed).

Table 3: Correlations between Loyalty Consumer Service

Correlations			
		Loyalty	Consumer- service
Loyalty	Pearson Correlation	1	.951**
	Sig. (2-tailed)		.000
	N	30	30
Consumer- service	Pearson Correlation	.951**	1
	Sig. (2-tailed)	.000	
	N	30	30

^{**}Correlation is significant at the 0.01 level (2-tailed)

Table 4: Correlations between Loyalty Response Time

Correlations				
		Loyalty	Response time	
Loyalty	Pearson Correlation	1	.768**	
	Sig. (2-tailed)		.000	
	N	30	30	
Response time	Pearson Correlation	.768**	1	
	Sig. (2-tailed)	.000		
	N	30	30	

^{**.} Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 03 Testing

Correlations between loyalty response time is shown in Table 4.

Interpretation of the Result

The positive correlation between customer service response time and customer loyalty score indicates that there is a strong positive relationship between these two variables. It indicates that when the response time of customer service is better (faster), customer loyalty also increases. The correlation coefficient of 0.768 indicates that there is a strong relationship between response time and customer loyalty, but it is slightly less than the perfect correlation (1.0). It means that as the response time of customer service becomes faster, customer loyalty also increases significantly. This result indicates that fast and efficient response time satisfies the customer, thereby strengthening their loyalty and attachment to the brand.

CONCLUSION

The findings of this study underscore the critical role of advertising quality, customer service excellence, and response time in fostering customer loyalty. The strong correlation between these factors highlights that strategic improvements in these areas significantly enhance customer engagement and brand attachment. Effective advertising serves as a powerful tool to attract customers, while superior customer service and prompt responsiveness contribute to a positive customer experience, thereby reinforcing long-term loyalty. By prioritizing these elements, businesses can not only elevate customer satisfaction but also cultivate a dedicated and enduring customer base, which is imperative for sustainable growth and long-term success.

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