“Like” to Loyalty: A study on whether or not social media promotions lead to a lifetime of consumer brand loyalty

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ABSTRACT
Companies understand the increasing popularity of social media and the effects it can have on advertising and promotions and the overall relationship with their customers. The purpose of this study was to determine if there was a correlation between promotions ran on social media sites and the brand loyalty of consumers. Research was conducted using an online survey and through personal interviews using participants at the University of Wisconsin – La Crosse and in the La Crosse community. The research concluded the promotions ran on popular social media sites, such as Facebook and Twitter, are effective, but companies need to be more persistent in their promotions and social media tactics to keep customers returning to their company. Most of the students between the ages of 18-24 at UW-L are only sometimes brand loyal, with 19 year old students being the most brand loyal. Consumers are brand loyal to the retail and food industries, but as of now, social media does not lead to brand loyalty of consumers.

INTRODUCTION
Social media is becoming a more prominent source of marketing and advertising and is being used more consistently by businesses trying to get their name out to the public and in the minds of consumers. How well is social media affecting consumers to shop with their company over other companies? Do promotions through social media make the deal even sweeter for consumers? Currently, businesses are adapting the new trends of social media and using social media sites as a part of their business plan, but do social media really affect what people purchase and their brand loyalty to a company, or is it all just a big waste of time?

When developing plans for a business, the core essential should be to understand what will make consumers want to shop with their company over other companies. To thoroughly understand this concept, companies need to first grasp the idea of consumer behavior. Consumer behavior is the study of why and how consumers buy the products they desire (Howard 1989). The extent to which a consumer understands their own personality and what they want from a product could lead to the way they respond to specific brands. Consumers tend to purchase products consisting of similar personality traits as their own (Park and John 2010). Factors such as time and knowledge also influence what products a consumer decides to purchase. Consumers who have more time and knowledge about the product they are purchasing are more willing to make the final purchase decision (Howard 1989). Along with personality traits, time, and knowledge, social status and social relationships also influence the way consumers spend their time and money. Consumers have a need for social inclusions and products have a way of impacting this factor of their lives (Mead, Baumeister, Stillman, Rawn, and Vohs 2011). Consumers want products to align with their social groups, and some consumers tend to feel certain products will either enhance or detract from their quality of life and their social belongingness.

After consumers have purchased their desired product, the amount of satisfaction the consumer feels will determine whether or not the consumer makes a repeat purchase of the same product with the same company. According to Howard 1989, consumers are more likely to recall an advertisement of a company if they have a favorable attitude towards the company. Consumers also tend to have selective attention and only have a certain amount of cognitive capacity to hold memories about advertisements (Yoo 2008). Companies need to make sure their customers are as knowledgeable about their products as possible to ensure they are satisfied with their purchases to keep them coming back to their company.

In order for consumers to have as much knowledge about a product as possible, they need to be aware of the product available. Advertising is an excellent way for a company to spread awareness to the public, and then promotions enhance the decision for the consumers. Advertising can contribute to the attitude a consumer has for a company or a brand and it can also influence a change in attitude and behavior if executed properly (Wang 2008).
An attitude a consumer receives from an advertisement could be through a verbal or visual message. However, if an advertisement does not already correlate with the consumer’s beliefs and values, the advertisement will most likely be rejected (Sutherland 1993). If a consumer has a negative view towards a company from a different experience, and then sees an advertisement, the consumer will automatically see the advertisement negatively.

Some advertisements may be paired with a type of sales promotion to entice the consumers even further. Promotions can be used for a variety of different purposes. If a product is new to the market, companies could rely on sales promotions to introduce their brand to the market and increase awareness. Another purpose a company could use a sales promotion could be to gain competitive advantage in the market. Lastly, sales promotions could be used to connect brands together and associate themselves collectively in the minds of consumers (Brito and Hammond 2007). With the amount of advertisements consumers are exposed to on a daily basis, it is vital to correlate the intention of the advertisement to the aspirations of the consumers, and promotions are just one more attempt of persuasion.

Since technology is becoming more advanced every year and advertisements are showing up online more than ever, online marketing is becoming a part of the marketing plan for many businesses. Online marketing is becoming more popular and posing a threat to traditional marketing tactics, including, but not limited to: newspapers, magazines, radio, and television (Kassaye 2007). However, companies need to keep in mind their efforts through search marketing and online marketing are more about results than it should be about having the most advanced technology (Pingel 2005). If companies are basing their strategies on implementing their advertisements through the most advanced technology and no one is responding, the company needs to re-evaluate their strategy techniques.

The popularity of online marketing with consumers is extraordinary because online marketing and advertising can give consumers more information, more interactivity, and has the ability to track the interests of consumers (Janal 1995). Consumers have the ability to dismiss the advertisements they are not interested in, and engage in the interactive advertisements more favorable to their interests. This gives consumers a sense of control over a company’s advertisements (Schumann and Esther 2007). Not only does online marketing give consumers the power to manage the advertisements they become exposed to, but it also conveys the most recent news and reports regarding a company. Online marketing can be used to deliver up-to-date information as well as retrieving their own information in an attempt to enhance their overall image (Wang 2008). A major way a company can maintain their image is through their website.

A company’s website, as a form of online marketing, can affect the way a consumer perceives the brand of a company. The creativity, amount of information, and the ease of navigation weigh heavily in the minds of a consumer; along with what type of product the consumer is searching (Lepkowsa-White and Eifler 2008). However, the creativity and design are less important in regards to the measure of how the website relates to the preferences of the target market (Kassaye 2007). The amount of information provided through online marketing could be helpful to consumers lacking knowledge, but could also be overbearing to a consumer looking for a specific product with limited time. The correct amount of information varies and differs between consumers and their attitudes (Sicilia and Salvador 2010). Online marketing can promote a company when consumers receive the service and information they are looking for; however, a poorly designed online marketing tool, such as a website, could lead to a ruined relationship.

An important part of a business plan to ensure a life-long relationship is the segmentation process. Companies wanting to utilize online marketing need to understand what markets are more inclined to using the internet. Segmentation can take place based on many factors, such as what consumers do and the way certain activities make them feel (Weber 2007). Companies need to keep these factors in mind when developing their segmentation strategies. For example, older consumers may not use the internet, or if they do, they might require more knowledge and more time to understand the advertisement being shown to them (Schumann and Esther 2007). A company that wants to target older consumers through the internet will need to construct a plan to allow for as much knowledge and time needed by their target market to ensure they are satisfied. Another way companies can segment their customers is through social media and by becoming aware of the number of social media users. Using social media, such as Facebook or Twitter, allows companies to more accurately segment their audience to ensure their ads are being seen by the appropriate target market (Penenberg 2009). Social media can be used to advertise to new and existing consumers, but can also be used as a form of research to find out the interests and opinions of the consumers they are trying to reach.

Social media can be a positive form of advertising for a company since it is essentially free advertising to the consumers who have the same social media site. According to Lee, Jarvinen and Sutherland, Facebook and Twitter are the two most popular social media sites and as of March 13, 2010, Facebook has been recognized by Hitwise as the most visited website, surpassing Google. With Facebook being so popular and so well-known to consumers, it is no surprise that social media can reach a vast majority of people that normally would not be able to be reached with
previous marketing techniques (Evans 2011). Since social media is so popular, word of mouth can be a positive or negative characteristic of social media. Consumers have a variety of separate communities through social media sites and word of a positive or negative representation of a company or a product could travel faster than expected (Weber 2007). Social media creates awareness and can be tracked by reviews and comments of a specific message (Evans 2011). If one consumer had a negative experience with a certain company, within a matter of seconds, hundreds, or even thousands, of people become aware of the negative situation.

The amount of consumers who consider themselves to be a “fan” of a company’s social media site can also be tracked and can be beneficial to a company’s target market strategy (Funk 2011). Consumers can follow their favorite companies on social media sites, such as Facebook and Twitter, as a way to stay informed of the latest products and other news regarding the company. Social media allows consumers to participate and become interactive with a company’s social media site, which permits consumers to feel a sense of equality between themselves and the company (Evans 2011). One way consumers become engaged through social media is by Facebook allowing companies to use their promotional techniques to attract consumers, such as coupons, giveaways, and exclusive offers (Lee, Jarvinen and Sutherland). Once again, in order for social media to be an effective form of marketing, companies need to clearly state their objectives and have a thorough understanding of their audience and selected target markets (Evans 2011). Companies need to align their strategies with the consumers they are targeting to ensure all strategies, not just through social media, are executed properly to maintain a life-long relationship.

The ability to create a relationship with a consumer is essential for a company to maintain for many years, if not for a lifetime. One of the objectives for a company’s online marketing and social media strategy should be to maintain a relationship with its customers (Chang 2009). In all areas of a company, the most beneficial relationship is one that has the elements needed to last a lifetime. Trust and commitment are seen as the two fundamental variables necessary in achieving a lasting relationship. Consumers engaging in behaviors through online marketing rely on a trust-based relationship since personal information is being exchanged through the internet. The commitment of a consumer to a company is only possible if the consumer trusts the company and sees no threat from participating in an exchange with the company. If the amount of risk is minimized and seen as insignificant in the consumer’s mind, the amount of trust in the relationship is increased and will lead to further purchases and a lasting relationship (Casalon, Flavian and Guinaliu 2007). If the elements needed to maintain a life-long relationship are absent, consumers are going to see more risk than desired to continue a relationship with the company. Companies capable of providing trust and commitment to their consumers are the companies that will stay on top of the market with brand loyal customers.

Ultimately, if a consumer responds favorably towards a company’s advertisements and promotions, specifically through online marketing and social media, then a relationship will begin to develop between the consumer and the business, which will lead to brand loyalty of a consumer. In order to get the end result of consumer brand loyalty, companies need to position their brand so it correlates with customer needs in order for customers to choose their brand over the competition (Czerniawski and Maloney 1999). When a company segments their target markets they become informed of the preferences and interests of each group of customers so they are able to adapt their strategies to appeal to each segment. The way companies choose to position their brand in the minds of consumers will lead to the chance of a consumer to consider their brand over the competition (Yoo 2008). The emotion evoked when a consumer uses a product, or purchases a product, could significantly contribute to the brand loyalty to a company.

Another important aspect companies need to address is to differentiate their products or services away from the competition and showcase the features and benefits their products display over the competition (Czerniawski and Maloney 1999). Showing how one product is better than another product will allow consumers to gain knowledge of the benefits of the product with the possibility of relating their needs to the features of the product. Communicating the attributes to consumers will allow a company to create a unique positioning of their brand by demonstrating how their brand can benefit the lives of consumers (Saaksjarvi and Samiee 2011). Companies who can deliver the right information through advertisements and promotions to influence how a consumer decides to spend their time and money has an excellent chance of developing brand loyalty from their consumers. Companies capable of developing a successful online marketing strategy with a goal of maintaining a life-long relationship also have the chance to develop brand loyalty from their consumers. However, with social media still relatively new to the business market, the effectiveness of promotions through social media in hopes of brand loyalty still remains unanswered.

METHOD
Using survey and interview research studies, the following learning outcomes hope to come to a conclusion about the correlation between social media and brand loyalty: to identify why consumers spend their time and money the way they do, to explain if promotions through social media or online marketing enhance what consumers
decide to buy, to define what characteristic makes a consumer want to purchase one product over another product, to recognize how brand loyal consumers really are and if these consumers consider themselves to be brand loyal, to differentiate between the consumers with the fact that if a competing brand had a better promotion, if the consumer would stay brand loyal or take the deal of the competing brand, to distinguish what industry has the most brand loyalty between food (grocery stores), retail (department stores and superstores), and pharmaceutical (particularly over-the-counter medications) brands, to evaluate how successful local firms believe their social media sites are when attempting to gain customers, and to name what age, between the ages 18-24 is the most brand loyal at the University of Wisconsin – La Crosse. However, challenges could arise with this research if the participants of either study do not currently have an active social media site or have never engaged in or participated in promotions through their social media sites.

Two types of research were conducted in order to make conclusions regarding the brand loyalty of customers due to the social media sites of businesses. The first research method consisted of an online survey. The participants for the survey included 500 randomly selected undergraduate students currently studying at the University of Wisconsin – La Crosse. The students were randomly selected by the Director of Institutional Research at UW-L. The population from which the sample was selected contained all undergraduate students including females and males, all races and ethnic backgrounds, all majors, and all years in school ranging from freshmen to seniors, and those students who have been in school for more than four years completing their undergraduate degree.

The surveys were sent through school e-mails through software called Qualtrics Survey Software and an informed consent was included in the body of the e-mail allowing the participants to know their responses are confidential and their willingness to participate would be completely voluntary and they would be able to withdraw from the survey at any time. The surveys consisted of 11-22 questions depending on the participant’s responses. The participants were also told the survey would take them no more than 20 minutes. Participants were given one week to complete the survey and after one week the survey was closed and deactivated. All responses were sent back in Qualtrics anonymously. From the sample of 500 students for the survey, 63 responses were received and all 63 responses were exported into Microsoft Excel to be further analyzed and evaluated.

The second research method was through face-to-face interviews. Ten companies in the La Crosse, Wisconsin community were selected due to the fact they obtained a Facebook social media site. Out of the ten companies chosen, only eight were interviewed with one company not responding and one company absent during the time of their interview. The interview questions were constructed and developed based on the learning outcomes previously stated. All interviews were conducted at the destination of the interviewee’s choice, which usually was at the company’s main location. The interviews lasted anywhere from 10-20 minutes and at the beginning of the interviews the participants were told they would be asked a series of 8-15 questions depending on their responses, and to answer the questions to the best of their ability.

After all responses were recorded from both the online survey and the personal interviews, the data was evaluated in correlation to the learning outcomes previously stated in an attempt to find answers regarding the association between businesses and social media. The data was assessed in anticipation of finding a relationship between businesses and their presence in the social media market and to what extent it is affecting the brand loyalty of its consumers.

RESULTS (SURVEY)

When analyzing the data from the online survey, 59 out of the 63 participants had one or more active social media sites, so the rest of the data is based on those 59 participants. As shown in Figure 1, every participant who currently has an active social media site has a Facebook account and of those 59 participants, 21 of them have Twitter accounts, 16 have LinkedIn accounts, 9 had Google+ accounts, 3 people chose other as an option and stated they also had Tumblr accounts, 1 person had a MySpace account and no one had a FourSquare account.
Figure 1. A pie chart to show the amount of social media sites currently used by consumers at UW-L.

Since Facebook and Twitter are the two more popular social media sites, the rest of the questions of the survey focused on these two social media sites. Out of the 59 participants, 39 people have either “liked” a company on their Facebook account or have “tweeted” them on their Twitter account. As seen in Figure 2, only 6 of those 39 people who have “liked” a company on Facebook or “tweeted” them on Twitter did so because the company was running a promotion. From the same 39 people, 29 participants stated they “liked” the company or “tweeted” the company because they were fond of the company and did so for their own reasons, and the other people couldn’t remember their reasoning for becoming connected with the company on Facebook or Twitter.

Figure 2. A pie chart to show the reasons why people “liked” a company on Facebook or “tweeted” them on twitter.
Out of the people who connected with a company through social media in order to receive the promotion the company was currently holding, the three promotions that most companies were running were for either a dollar amount off of a product, a percentage off of a product, or a free product. The respondents who claimed they “liked” or “tweeted” a company because of a promotion also stated they most definitely would have shopped with the company even if there had been no promotion. Also, 62% of the respondents stated they have returned to the company because of the promotion they received. However, the majority of those people also said they only shop with the company less than once a month or only 2-3 times a month. After receiving the promotion through social media, 67% of the participants stated they did not believe they were brand loyal to the company because of the promotion that led them there in the first place. Going back to the original 63 respondents, when asked how often they were brand loyal to any product or store, the majority at 66% claimed they were only sometimes brand loyal.

Participants of the online survey were given three choices: food (specifically while at the grocery store), retail (department stores and/or superstores), and pharmaceuticals (over-the-counter medications). As shown in Figure 3, from those three industries, 76% of the respondents said they were brand loyal to retail stores and 61% of the respondents said they were brand loyal to the food industry. The pharmaceutical industry only had 7% of the results for brand loyalty to that industry. Respondents also believed they were brand loyal to cosmetics, videogames, automotives, and music.

![Brand Loyalty to Specific Industries](image)

**Figure 3.** A pie chart showing the distribution of brand loyalty over three industries.

**RESULTS (INTERVIEW)**

Of all the companies interviewed, every company had an active Facebook account and four of them had Twitter accounts. One company had both a Facebook account and a Twitter account, and also had LinkedIn, YouTube, and FourSquare accounts. The majority of the companies currently update their social media sites at least three times per week, with one company updating every day of the week and one company updating only once a week. While most of the companies interviewed claimed they ultimately wanted to target everyone with their social media sites, the range of ages that some companies were targeting were between 20 and 50 years old.

Three out of the eight companies interviewed stated they run promotions through their social media sites. The types of promotions these companies would offer to their customers would be for any specials they currently had available, or a percentage or dollar off of a product or meal. The three companies who all run promotions through their social media sites all believe that their social media promotions are effective with their market and use word of mouth and comments on their social media sites as a way of determining the effectiveness of their efforts.

**DISCUSSION**

Over the years, social media sites have gradually increased in popularity and it is assumed that social media will only continue to increase in popularity and create new forms of social media. When looking at the number of
respondents who have Facebook accounts, it is important for companies to first have a Facebook account when appealing to consumers. As social media continues to evolve, companies will need to engage in market research to understand which sites are popular during a given moment and focus on acquiring the same social media sites in an attempt to reach their target markets effectively.

Every participant of the online survey has an active Facebook account and every company has an active Facebook account, so this type of social media marketing is most likely the most effective and most worthwhile. However, after the survey results were analyzed, zero people claimed they had an active FourSquare account, so the company that has a FourSquare account is not reaching anyone with this social media. When looking at the majority of the people using social media, the markets and ages companies are ultimately targeting are accurate, but could be expanded in an attempt to appeal to even more consumers.

With the increasing popularity of social media sites with consumers, companies need to be engaged consistently to keep their company positioned as the top company in the minds of their customers. However, companies also need to keep in mind consumers do not want to be overloaded with updates from their favorite companies, or their once favorite companies. According to Mueller 2011, companies should update their social media sites at least once a day. Most of the companies interviewed were only updating their social media sites a couple of times a week. These companies should consider updating their accounts more consistently in order to gain more exposure to their target markets.

The number of participants researched who “liked” a company on Facebook or “tweeted” them on Twitter in response to a promotion can be linked to the number of companies that run promotions on their social media sites. Only 6 out of the 59 participants in the online survey study claimed they “liked” a company on Facebook or “tweeted” them on Twitter in regards to a promotion on their social media site and only 3 out of the 8 companies interviewed said they run promotions on their social media sites. The small number of subjects responding to the promotions through social media sites could be directly related to the number of companies offering promotions through their social media sites. If more companies started to run promotions through their social media sites, more consumers would have the opportunity to engage themselves in the promotions, thus increasing their knowledge of the company and their products. The more knowledge the consumer has and awareness of the company, the more likely the consumer is to return in the future.

Since more than half of the participants of the survey claimed they returned to the company because of the promotion, it can be concluded the promotions of companies through social media are effective in gaining customers; however, the majority of these same customers also claimed they only shop with that company at most a couple times a month. Therefore, companies are being effective in their social media promotional campaigns in gaining first time customers or attracting to customers for one promotion, but are unable to keep these consumers shopping at their company on a more consistent basis.

When asking consumers whether they believed themselves to be brand loyal, most consumers only thought of themselves to be brand loyal some of the time. Very few of the respondents claimed they were always brand loyal to one specific product or store over another product or store. As seen in Figure 4, only about 13% of consumers claimed they were always brand loyal to a product or company, and the majority of these consumers were 19 years old. Since a small percentage of the respondents claimed they were always brand loyal, the chances of the rest of the respondents to be more likely to switch to a different company if they offered a better product, price, or promotion is highly likely. Even though most consumers do not consider themselves to be absolutely brand loyal, the retail and food industries are the top industries that consumers are brand loyal to, with retail being the top industry and the food industry being a close second.
CONCLUSION

Facebook and Twitter are the most popular social media sites and both consumers and companies are maintaining accounts with both sites. Companies need to engage in market research to determine what social media sites are the most popular for their area, as well as the age range with current social media accounts. The promotions being run on social media sites by businesses are effective in gaining a consumer’s attention, but only for the one promotion. Companies need to either keep running promotions or find another strategy to keep these consumers returning to their company on a more consistent basis. Promotions through social media sites are influencing what consumers are purchasing, but are not leading to a lifetime of brand loyalty.

LIMITATIONS

The first major limitation of this research was only being able to reach a segment of the population of students only residing in the city of La Crosse, Wisconsin and attending the University of Wisconsin – La Crosse. If the research was repeated, being able to reach a larger population to receive a wider sample consisting of a great number of consumers would contribute to a more accurate conclusion of the correlation between social media promotions and brand loyalty of customers.

ACKNOWLEDGEMENTS

The author of this research report is thankful to Professor Stephen Brokaw from the University of Wisconsin – La Crosse for guidance through the research development and process. The author would also like to thank the following companies for their participation in the interviewing process: Rudy’s, Piggy’s, All Glazed Up, Three Rivers Outdoors, The Children’s Museum of La Crosse, Dublin Square Pub, The Wine Guyz, and Fayze’s. The students from the University of Wisconsin – La Crosse who were randomly selected to participate in the online survey also deserve a thank you for their time and engagement.
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