

Impact of Social Media Marketing on Brand Loyalty: The Mediating Role of Brand Consciousness

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Abstract

The evolution of social media as an interactive technology has empowered and influenced the lives of millions; on personal, organizational and global level. Its impression within the field of marketing also remains unprecedented and is regarded as a basic ingredient of enhancing consumer engagement online. The purpose of this paper is to examine the role of branding within a social media marketing (SMM) perspective. The study explores how social media marketing activities build brand loyalty and how this relationship is mediated through brand consciousness. The empirical investigation involves a self-administered and a structured questionnaire, distributed through a convenience sample of 320 under-graduate and graduate students. Data analysis was conducted through SPSS 23.0 for demographic comparisons and SmartPLS 3 for evaluating the measurement and structural model of the study. The findings show that social media marketing has a significant positive influence on brand loyalty but this relationship is partially mediated by brand consciousness. In the same manner, social media marketing exerts a significant positive impact on brand consciousness and resultantly, brand consciousness also exerts a significant positive impact on brand loyalty. The results provide valuable insights for marketers in integrating social media as a driving tool for developing brand engagement strategies that not only provide awareness about products/services but also generate a cult following for them. Although the study faced limitations of choosing a specific demographic segment and issues pertaining to generalizability, the proposed model directs towards additional moderators and context based variables which could provide more fruitful insights into consumer associations within brand communities. The paper contributes to the literature pertaining to social media through a branding

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perspective and also instigates the role of brand consciousness in developing brand loyalty for an under researched context of Pakistan.

Keywords: Social Media Marketing; Brand Consciousness; Brand Loyalty; Brand Communities

Introduction

The substantial development in the field of social media has generated and shaped people's connections with others through various social media platforms' including Facebook, YouTube, Instagram and LinkedIn (Colliander & Dahlén, 2011). Social media builds new foundations of information that is effectively created, originated, disseminated and applied by a typical consumer's intent on informing each other about the upcoming products, services, brands & personalities (Mangold & Faulds, 2009). Social media marketing (SMM) in its true sense; has now changed the dynamics of communication that exists between consumers and marketers (Hennig- Thureau, Gwinner, Walsh, & Gremler, 2004). Although still moving through an iterative stage (Duffett, 2017; Hamouda, 2018), it is now being considered as a major marketing tool to attain four major strategic objectives. Although social media marketing has been extensively deployed to enhance reach and engagement, but a series of questions remain unanswered. They basically include: Q1) How social media marketing (SMM) activities generate brand loyalty and how this relationship is mediated by brand consciousness; Q2) What is the impact of social media marketing (SMM) on brand consciousness; and lastly; Q3) What is the underlying impact of brand consciousness on brand loyalty. Companies hence fail to address the role of branding while devising and formulating their strategies over social networks. This means that the issues pertaining to consumer engagement and loyalty remain unaddressed and thus demand considerable energy and effort. Moreover, academically, the research with regard to social media and branding also remains poor (Pan, Meng, & Lee, 2017) and the current study aims to fill this gap by constituting a conceptual model, that empirically tests the relationships amidst SMM, brand consciousness and brand loyalty.

*Theoretical Development & Hypotheses
Social Media Marketing & Brand Loyalty*

Consumers exhibit psychological and social motivations for joining brand communities (Elliott & Wattanasuwan, 1998). They relate to the image and reputation of the brands that defines their behavioral characteristics. In this regard, Schembri, Merrilees, and Kristiansen (2010) assert that consumers find it aspirational to be identified with brand signs and symbols. Logos of brands such as Apple and Samsung have symbolic associations for the consumers and they consider them as part of their personality. Von Hippel (2005) further insists that customers joining online brand communities can assist companies in product development and upgradation. This nourishes brand loyalty and allows consumers to become the co-creators of the firm's products/services. Keller and Kotler (2016) also propagate that companies are able to reinforce brand loyalty by refining their consumer-brand relationship. These valuable relationships provide opportunities to the consumers in the form of better prices and superior product/service quality. This raises customer satisfaction and ultimately generates brand loyalty over brand communities, functioning through SMM (Ismail, 2017; Lee, Yen, & Hsiao, 2014). So based on the above academic arguments provided, we hypothesize that:

H1: There exists a positive relationship between social media marketing and brand loyalty.

Social Media Marketing (SMM) & Brand Consciousness

There has been a gradual shift of the dynamic consumers of today from traditional mediums to social media. SMM involves methods of direct and indirect marketing to generate consumer awareness, recognition, recall and consciousness for a product, person or a brand being executed through web tools of social networking, content dissemination and microblogging (Chaffey & Smith, 2013). The emergence of Facebook, Instagram, Twitter and Snap Chat have raised considerable brand consciousness and grabbed due attention. All these set of brand building platforms either use Facebook for sales promotion, Twitter for generating a specific trend (use of hashtags), uploading a product launch video on YouTube, engaging through a photo on Instagram, posting a blog on HubSpot and networking with brand managers on LinkedIn. Consumers hence respond proactively to these social networks due to better engagement and enhanced interactivity (Mangold & Faulds, 2009). Furthermore, Schivinski and Dabrowski (2016) examined more than five hundred Facebook users and found out that the user-generated marketing on social media exerted a positive impact on brand equity and brand

attitude. This ultimately points out to the emerging role of brand consciousness while investigating consumers' branding behaviors online. Thus, based on the aforementioned academic literature, the study hypothesizes that:

H2: Social media marketing (SMM) activities will generate a positive impact on brand consciousness.

Brand Consciousness & Brand Loyalty

Lysonski, Durvasula, and Zotos (1996) found out that three popular consumer buying orientations i.e. 'brand consciousness', 'novelty fashion consciousness' and 'habitual orientation' were most common and brand consciousness topped amidst them. Moreover, Walsh, Mitchell, and Hennig-Thurau (2001) asserted that six consumer buying orientations were the most common among potential consumers. This comprised of brand consciousness, perfectionism, recreation & hedonism consciousness, confused by over choice, impulsiveness and novelty-fashion consciousness. The aforementioned studies clearly depicted, that brand consciousness was one of the most common consumer characteristic that influenced their behavioral decision to purchase or consume any product/service. So while making a buying intention or decision and being conscious about the brand, the factor of brand loyalty would not only gain significance but would also be a vital contributor in effecting consumer behavior over brand pages. Hence based on the above academic arguments, we present the third hypothesis of the study:

H3: Brand consciousness will exert a positive impact on brand loyalty.

Mediating Role of Brand Consciousness

The power of social media also provides opportunities for buyers to track consumer information based on his or her following of brand pages and his personal interaction with others, through likes/comments/reviews; which ultimately leads to brand loyalty. Phau and Teah (2009) propagated that consumers gain self confidence in building their own self-identity through brands and feel pride in portraying such identity to others. Such consumers are willing to pay higher prices for well-known brands due to its cult following. This fanatical following for brands is due the inherent characteristics of social media which raises brand consciousness and ultimately develops brand loyalty. So based on the above argument, it is quite evident that for generating brand loyalty through social media marketing, the role of brand consciousness remains

pertinent. Companies like Apple, Samsung, Huawei and Oppo cannot generate effective brand loyalty for their consumer electronics on social media, unless or until, they inculcate the necessary brand consciousness about their products. Moreover, Ismail (2017) tested the statistically significant mediating impact of brand consciousness on social media marketing (SMM) and brand loyalty in a Malaysian context. He pointed out that this relationship still remains under researched and extensive work needs to be devoted to it, while evaluating his branding framework in developing economies. Therefore, the following hypothesis is put forward:

H4: There will be a mediating effect of brand consciousness between the relationship of social media marketing (SMM) and brand loyalty.

Theoretical Model

After reviewing and analyzing the literature, the study presents the conceptual model (shown in Figure 1). The theoretical framework demonstrates the independent, mediating and dependent variables of the study in a graphical form. There is one independent variable, one mediating variable and one dependent variable. The independent variable is social media marketing (SMM), the mediating variable is brand consciousness and the study's dependent variable is brand loyalty.

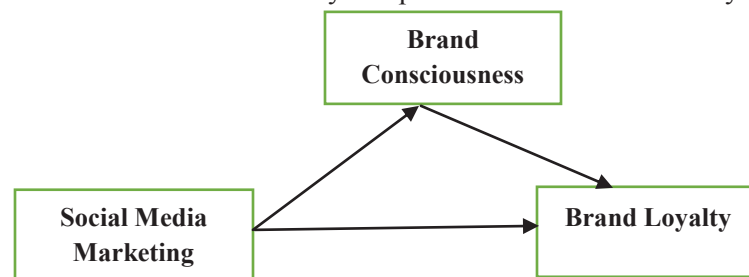


Figure 1: Research Model

Methodology

Data Collection & Sample Characteristics

A structured set of survey questionnaires were emailed in the major universities of the twin cities, namely Bahria University, Comsats University, Capital University, Riphah International University and Arid Agriculture University. Using Google Docs, 320 questionnaires were floated and as a result 250 usable responses were deployed for data analysis. A convenience sampling was considered to be the most

appropriate method for data collection. As the sample comprised of under graduate and graduate students, this technique was the most viable for conducting behavioral investigations (Mao & Zhang, 2017; Peterson & Merunka, 2014).

Measurement & Analysis

A 5-point Likert Scale was applied for the variables of the theoretical model, oscillating from the range of “Strongly Disagree” to “Strongly Agree”. The scales for measuring the constructs were adopted from academic literature. The scale for the construct, social media marketing was adopted from (Ismail, 2017; Kim & Ko, 2012). Brand consciousness utilized the scale developed by Sprotles and Kendall (1986) and brand loyalty scale was adopted from the works of (Ailawadi, Neslin, & Gedenk, 2001; Ismail, 2017). Statistical Package for the Social Science v. 23.0 (SPSS) was incorporated to perform a demographic analysis of the sample under study. Moreover, for measurement and structural model, variance-based structural equation modelling technique using SmartPLS3 (Ringle, Wende, & Becker, 2015) was incorporated. PLS is regarded as a second-generation technique in conducting structural equation modeling (SEM) and provides valuable results when analyzing casual models, specifically for behavioral research (Lowry & Gaskin, 2014).

Results

Sample Profiling

The demographic profiling of respondents was based on age, gender, education and occupation. Table 1 depicts that the basic demographic characteristics.

Table 1: Demographic profile

Attribute	Value	Frequency	Percentage
Gender	Male	159	63.6
	Female	91	36.4
Age	20-30	210	84.0
	31-40	33	13.2
	41-50	5	2.0
	51 and above	2	0.8
	Postgraduate	151	60.4
	School/College	13	5.2

Attribute	Value	Frequency	Percentage
Education	Undergraduate	86	34.4
	Occupation		
Occupation	N/A	16	6.4
	Salaried Person	53	21.2
	Self-employed	19	7.6
	Student	162	64.8

Measurement Model

With regard to the measurement model (see Table 2), the average variance extracted (AVE) scores and constructs' factor loadings were above 0.5 and 0.7 respectively; which reflected a fairly good convergent validity. The composite reliability scores and Cronbach's alpha scores were also above 0.7, indicating acceptable reliability and validity measures (Hair Jr, Hult, Ringle, & Sarstedt, 2016). With regard to discriminant validity, the square root of AVE values was also higher than the correlation coefficients between the latent variables (see Table 3), showing that they were conceptually and empirically unrelated (Fornell & Larcker, 1981). Moreover, the theoretical model showed good predictability with R Square, with respect to the endogenous latent variable i.e. brand loyalty at 0.377.

Constructs	Cronbach's	Composite	AVE
	Alpha	Reliability	
1 Brand Consciousness	0.795	0.813	0.520
2 Brand Loyalty	0.721	0.798	0.569
3 Social Media Marketing	0.785	0.853	0.538

Table 2: Measurement Model

Table 3: Discriminant Validity

	Constructs	Brand Consciousness	Brand Loyalty	Social Media Marketing
1	Brand Consciousness	0.721		
2	Brand Loyalty	0.525	0.754	
3	Social Media Marketing	0.402	0.502	0.733

Structural Model

The structural model represents the significance of the proposed relationships i.e. both direct and indirect effects. Specifically, Table 4 showed that social media marketing (SMM) is positively related to brand loyalty with t-statistic above 2 and p-value less than 0.05 i.e. confirming our first hypothesis. SMM also had a significant positive relationship with brand consciousness which also confirmed our second hypothesis. In the same manner, brand consciousness also had a significant positive relationship with brand loyalty, which further verified our third hypothesis. All these relationships had been viewed through the lens of direct effects, as depicted by SmartPLS 3.

For verifying the study's fourth hypothesis, which stated that brand consciousness had a mediating effect on the relationship between SMM and brand loyalty; specific indirect effects need to be observed. Table 5 showed that that specific indirect effect between SMM and brand loyalty, mediated through brand consciousness is significant. This proved that there is mediation between the aforementioned paths. For verifying, full or partial mediation; the direct effect between SMM and brand loyalty needs to be analyzed too. As mentioned earlier, the study's first hypothesis proved that SMM also had a significant positive relationship with brand loyalty, showing that there is a presence of partial mediation; with both direct and indirect effects being statistically significant. Hence, our fourth hypothesis is also substantiated, with an effect of partial mediation of brand consciousness between the relationship of SMM and brand loyalty.

Table 4: Structural Model

Direct Effects			
Hypotheses	Path Coefficients	T-Stats.	P
SMM→ Brand Loyalty	0.346	6.446	0.000
SMM→ Brand Consciousness	0.402	6.569	0.000
Brand Consciousness→ Brand Loyalty	0.386	6.911	0.000

Specific Indirect Effect			
Hypotheses	Path Coefficients	T-Stats.	P
SMM→ Brand Consciousness→ Brand Loyalty	0.155	4.503	0.000

Table 5: Structural Model

Discussion, implications & limitations

The social media networks have emerged as an engaging tool to influence consumers and become a way of life for them especially; the younger segment. The results of the study confirm that perceived social media marketing (SMM) activities play a vital role in building brand loyalty. SMM turns out to be a key antecedent of brand loyalty as fans of brand communities tend to be committed to the pages they follow and like (Bagozzi & Dholakia, 2006). The proposed conceptual framework also examines the impact of SMM on brand consciousness which is also believed to be pragmatically true. Recently, Ismail (2017) also confirmed the role of SMM as a driver tool in establishing brand consciousness within a social media based brand community perspective. The study also attests the positive relationship of brand consciousness and brand loyalty. It is quite simple to understand that consumers who turn out to be aware and conscious through social media branding programs, will be more loyal to the brand they like and admire. Supporting the work of Ismail (2017), the current research study concludes that brand

consciousness is pivotal antecedent of brand loyalty. Moreover, the conceptual model also testifies the mediating impact of brand consciousness between SMM and brand loyalty. Although partially mediated, brand consciousness determines the causality between the antecedent (SMM) and the outcome (brand loyalty). Again, this mediating effect remains under researched and the current study clearly indicates that the modern social media marketing (SMM) practices need to generate brand consciousness initially in order to develop loyalty for their brands; while advertising their products towards the young aged segment of Pakistan.

In relation to the practical insights drawn from the study, three major implications are presented. Firstly, the role of social media marketing (SMM) in establishing brand consciousness and brand loyalty turns out to be vital. The multinationals, which have formulated plans to advertise their products on social media, need to initially work on building brand consciousness, which would ultimately lead to the development of brand loyalty. Secondly, the young audience of today is self-aware and highly responsive to the brands that are promoted over social networks. The firms should not only focus on detailed and informative ads but should also add engagement into it. Thirdly, the firms of today should accept social media as one of the most valuable brand management tool. Social media not only provides engagement but also unlocks ways for interactivity and open dialogue.

Similar to other research studies, the current work also presents some limitations. The study utilized a small sample of 250 respondents which is not representative of the majority of the population. The future studies can take a larger sample to attain better insights into consumer behavior over virtual and brand communities. The research has also focused on a specific age segment i.e. the youth including collegiate students. Although Knoll (2016) points out that the consumer behavior of the young segment over social media needs to be further investigated, but there needs to be additional investigation into exploring the older demographics.

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