

IMPACT OF SOCIAL MEDIA MARKETING ON BRAND LOYALTY WITH MEDIATING ROLE OF PURCHASE INTENTION AMONG GEN Z - AN EMPIRICAL STUDY

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Abstract

Social media marketing is helpful for business people in different ways. Social media helps to connect the people to share their opinion about the products and services. The firms can also target the audience to build their Purchase Intention and Brand Loyalty. This research study is quantitative in nature. Data are collected using a structured questionnaire from 86 respondents of Chennai by adopting a convenient sampling method. T-test, Anova, Correlation, and Regression are done using SPSS 23.0. The results show that social media activities have a significant impact on brand loyalty and purchase intention. E-WoM and Online Communities are having a positive impact on purchase intention and brand loyalty among Gen Z. This research is limited to Chennai city. This study provides theoretical and practical implications to the marketers in understanding how effectively they can provide products/services to the consumers and implement the advertisements on social media.

Keywords

E-WoM, Social Media, Marketing, Purchase Intention, Brand Loyalty, Online Communities, Online Advertisement, Gen Z

1. Introduction

During the last ten years, the usage of social media sites like Facebook, Instagram, and WhatsApp has increased rapidly (Chen and Qasim, 2021). Popular firms utilize these platforms to advertise their goods, and people use them to connect with each other. Social networking websites have made it possible for social activities to go from the physical world to the virtual one. People may now communicate and share information because messages are sent in real time. Because of this, businesses view social media platforms as essential resources for succeeding in the online market (Ebrahim, 2020).

According to SEO and Park (2018), online communities are similar to real-world communities

in terms of creating shared experiences, providing social support, and addressing members' need for self-identification. Online communities differ from real-life groups in terms of technology, as they rely on computers for operation. Building a brand community involves using a specific product or service. Chen and Lin (2019) define brand communities as interactions amongst consumers that are not limited by geographical area. Consumers' social contacts form brand communities, which include customs, traditions, rituals, and community awareness.

Social media platforms and websites are used to promote a product or service (Felix, Rauschnabel, & Hinsch, 2017). Social media marketing is useful

for businesses in number of different ways. Social media stands connect with the target audience to build purchase intention and brand loyalty. Social media advertising stands are also influential today that dealers can specify exactly who to display their advertisement. Its target audiences based on their demographics interest, behaviour and so on.

In social media marketing, the firms can allow the customers to post a product review, online comments. The firms can able to improve their products or services. Nowadays, customers are more aware of the product before they make a purchase of product. Over 80 percent of consumers use the online to research about the products and services (Funk 2013).

2. Review of literature

Nowadays, the business situation is highly competitive, they keep their customers were happy and maintaining in long- term relationships with them. It has been an important business strategy among business people. Brand loyalty is one of the key relationships of marketing outcomes. This concept can be conceptualised into behavioural and attitudinal loyalty (Jacoby and Kyner, 1973). When consumers are loyal to a brand, they show an intensely positive attitude of commitment towards the brand and this in effect causes them to support it (Choi et al., 2018).

Purchase intention is an individual's readiness and willingness to purchase a certain product or service. Purchase intention is preferred to buy a product/service based on consumer attitude and trust towards the product. Consumers are buying the products only after they evaluate a product whether it is worthy to buy the product. If consumers select one product are based on intention they decide to buy or reject. Number of external

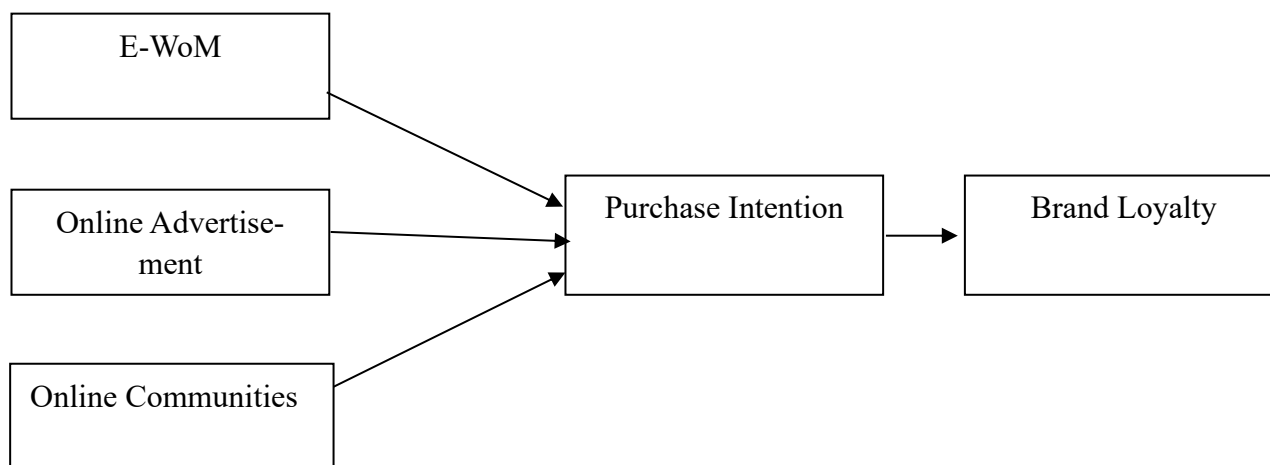
factors are also affected by purchase intention like Online Communities, Online advertisement, E-WoM (Balakrishnan, Dahnil, & Yi, 2014).

Word of Mouth is an important tool for influencing customers and their buying behaviour (Balakrishnan et al., 2014). Word of Mouth has proved very important in consumer purchasing decisions (Richins & Root – Shuffer, 1998). E-WoM impacts analysis of consumer goods and their intention to purchases (Torlak et al., 2014; Zhu & Zhang, 2010; BambuerSachse & Mangold, 2011). When consumers review product details and recommend others based on past experience or product knowledge from social media marketing, this can influence purchasing intentions and inspire them to buy (Khan, 2019).

Web advertisement is also known as online advertising. It's a form of advertisement that uses the internet to provide information about advertising marketing to consumers. Many customers considered online advertisement disruptive, and for a variety of reasons slowly switched to advertisement blocking.

Online communities provide online customers with the ability to share their views and exchange ideas on Product / Service information. This is a great opportunity especially for online marketers who run their businesses. Digital consumers can create trust through their interactions within virtual communities. Digital marketers should appreciate the ability to better understand and engage their customers in virtual communities. The inputs and suggestions of immediate customers can be more accurately monitored and the role of online participation should be seen as crucial in helping online marketers to improve their marketing strategies effectively to achieve greater market share (Balakrishnan et al., 2014).

3. Proposed Model



Source: Primary Data

4. Objectives

- To study the impact of E-WoM, Online Advertisement and Online Communities on Brand Loyalty among Gen Z.
- To study the mediating role of purchase intention in the relationship of E-WoM, Online Advertisement, and Online Communities with Brand Loyalty.

5. Research Method

This study, a survey tool has been developed based on a review of the impact of social media marketing literature. To collect the answers, a five-point Likert scale was used (anchored in Never = 1 and Always = 5).

5.1 Data Collection

A structured questionnaire consisting of 22 items was used for the online survey. An online survey was carried out by email and by WhatsApp and Facebook. The questionnaire was sent to the individual respondent (Gen Z). Convenient sampling method is used. Data were collected from 86 Gen Z respondents in Chennai. The data were analysed using SPSS 23.0

5.2 Reliability Analysis

Reliability test conducted for variables items which are accurate and meet the intended purpose. The values of Cronbach's Alpha Coefficient for all the variables are satisfied which is above (>0.70). Hence the further analysis is carried out and the values of Cronbach's Alpha which is given below the table.

Table 1. Reliability Values

<i>Variables</i>	<i>No. of items</i>	<i>Cronbach's Alpha Values</i>
E-Word of Mouth	5	0.844
Online Advertisement	4	0.776
Online Communities	4	0.704
Brand loyalty	6	0.792

Purchase Intention	4	0.849
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Source: Primary Data

6. Analysis

H₁: There is a significant difference between Male

and Female on E-WoM, Online Advertisement, Online Communities, Purchase Intention, and Brand Loyalty.

Table 2: T-test between Male and Female of E-WoM, Online Advertisement, Online Communities, Purchase Intention with Brand Loyalty

Variables	Gender	N	Mean	t	df	P-value
E-WoM	Male	49	3.302	1.06	84	0.292
	Female	37	3.0649			
Online Advertisement	Male	49	2.8929	0.252	84	0.802
	Female	37	2.8378			
Online Communities	Male	49	3.1173	1.653	84	0.102
	Female	37	2.7973			
Brand Loyalty	Male	49	3.0442	1.823	84	0.072
	Female	37	2.7027			
Purchase intention	Male	49	2.9337	1.21	84	0.23
	Female	37	2.6824			

Source: Primary Data

From above the table, it can be inferred that there is no significant difference between males and females on E-WoM (.292), Online Advertisement (.802), Online Communities (.102), Brand loyalty (.072), Purchase Intention (.230). And we can infer that there is no significant dif-

ference in P value (0.05). Hence, the proposed hypothesis is rejected.

H₂: There is a significant difference in Education on E-WoM, Online Advertisement, Online Communities, Purchase Intention, and Brand Loyalty.

Table 2: One-way Anova of education E-WoM, Online Advertisement, Online Communities, Purchase Intention with Brand Loyalty

Variables	Education	Mean value	F	P Value
E-WoM	Between Groups	1.732	0.596	0.667
	Within Groups	1.024		
Online Advertisement	Between Groups	0.903	0.705	0.591
	Within Groups	0.998		
Online Com-	Between	0.953	1.692	0.16

munities	Groups			
	Within Groups	0.799		
Brand Loyalty	Between Groups	0.462	1.193	0.32
	Within Groups	0.775		
Purchase Intention	Between Groups	0.653	0.904	0.465
	Within Groups	0.926		

Source: Primary Data

From above the table, it can be inferred that there is no significant difference in education on E-WoM (.667), Online Advertisement (.591), Online Communities (.160), Purchase Intention (.465), Brand Loyalty (.320) and mean value is also insignificant. We can infer that there is no

significant difference in P value (0.05). Hence, the proposed hypothesis is rejected.

H₃: E-WoM, Online Advertisement, Online Communities significantly impact on Brand loyalty among Gen Z.

Table 3: Regression Analysis of Independent Variables on Dependent Variable

<i>Independent Variables</i>	<i>Beta Standardized Co-efficients</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>F value</i>	<i>t</i>	<i>P Value</i>
E-WoM	0.117	0.833	0.693	0.682	61.757	1.282	0.204
Online Advertisement	0.411					4.114	0
Online Communities	0.413					5.151	0

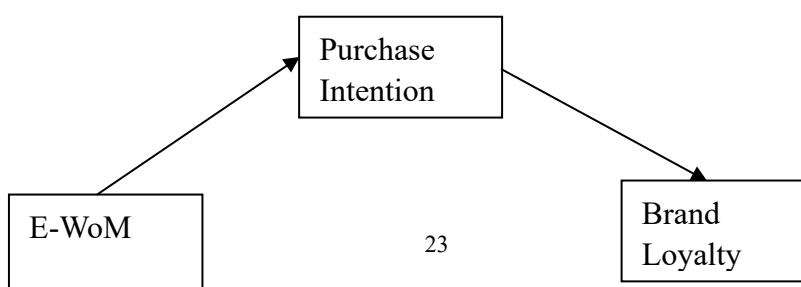
Source: Primary Data

From above the table, it can be inferred that Adjusted R Square (0.682), indicating the independent variables explained 68% of the variance in the Dependent Variable. The t test of probability value for E-WoM is (0.204) which is greater than 0.05 significance level, E-WoM which is an insignificant impact on Brand Loyalty. The t- test of

probability value for Online Advertisement and Online Communities is (0.000) which is less than 0.01 significance level. Online Advertisement and Online Communities are significant impact on Brand Loyalty. So, we conclude that Online Advertisement and Online Communities which impact on Brand Loyalty among Gen Z.

7. Mediation Analysis

Fig 1. Model 1

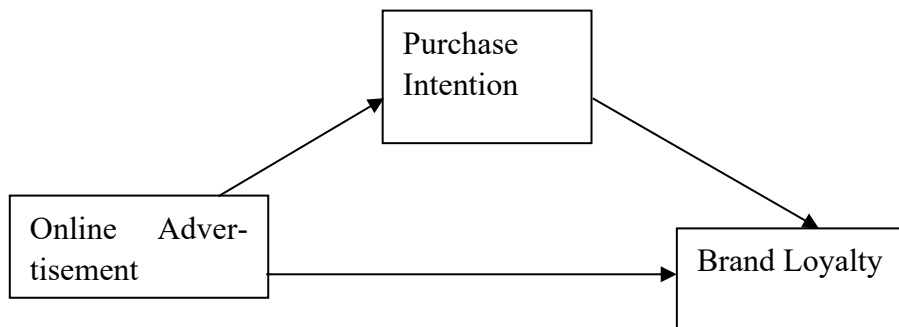


Source: Primary Data

The results indicated that E-WoM (Direct) is found to be an insignificant impact on Brand Loyalty with Beta Value of 0.2111 and P-value > 0.05 but it has a significant impact on purchase

Intention, which is also a significant impact on brand loyalty. Hence the results show that the Complete Mediation effect.

Fig 2. Model 2

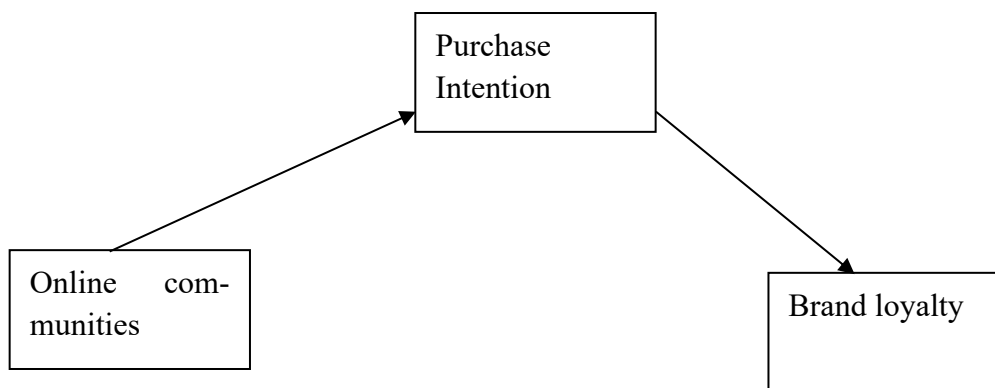


Source: Primary Data

The results indicated that Online Advertisement (Direct) is found to be a significant impact on Brand Loyalty with Beta Value of .3480 and P-value > 0.05 and it has a significant impact on

purchase Intention, which is also a significant impact on brand loyalty. Hence the results show that the Partial Mediation effect.

Fig 3. Model 3



Source: Primary Data

The results indicated that Online Communities (Direct) is found to be a significant impact on Brand Loyalty with Beta Value of .4415 and P-value > 0.01 and it has a significant impact on purchase Intention, which is also a significant impact on brand loyalty. Hence the results show that the Partial Mediation effect.

8. Limitation and Future Research

This research paper examines the impact of social media marketing on brand loyalty, but there are some limitations. Data collected were from only Gen Z. In the future, a study would be carried out to examine the impact of social media users and non-users. This study is restricted only to Chennai;

future studies would be carried out other states or across the country or globe and can also add some new variables like Security, Privacy and Reliability. Further research can be undertaken to explore the mediating effects of attitude, trust and to obtain a better model of Brand loyalty prediction.

9. Conclusion

Social Media Marketing receives global attention from users as an alternate System for Traditional media marketing. Social media marketing is a powerful tool for every organization. It can enhance the relationship with customers, establish two-way communication with customers and provide immediate feedback that can improve company reputation and growth. The results show that the E-WoM on Brand Loyalty doesn't positively impact. Online Advertisement and Online Communities have a Positive Impact on Brand Loyalty. Online advertisement is a good way of introducing a new product through Social media which can help the company to increase sales. The social follower can turn into buyers. Online Communities can also build loyal communities to their brand and which make a good relationship with the customers. They can promote the products by introducing them to the community of loyal followers. Interaction with consumers which also help the marketers to explore their motives and need. Hence, future researchers can conduct studies on influencer marketing or explore the use of artificial intelligence and chatbots as future marketing strategies. Furthermore, the review of literature focuses on only a few ideas, while many other potential areas were not considered in this study.

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