

SOCIAL MEDIA BASED INVESTIGATION OF SATISFACTION AND LOYALTY : ROLE OF FACEBOOK IN ENGENDERING AND MANIFESTING CUSTOMER SATISFACTION, BRAND COMMITMENT AND BRAND LOYALTY

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KEY WORDS

Facebook
Customer satisfaction
Brand Commitment
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ABSTRACT This paper aims to explore the level of Customer satisfaction and Brand commitment using Facebook as a medium of enhancing brand loyalty . The study was conducted on a sample of 167 respondents drawn from National Capital Region. A standardised questionnaire consisting of 30 items rated on 5-point Likert scale was used for the study. The result of higher order structural equation Model (SEM) indicates that Facebook has significant direct impact on customer satisfaction. Customer satisfaction was found to have direct impact on Loyalty and there exists significant relationship between Facebook, Customer satisfaction, brand commitment and loyalty. There is no evidence of mediating effect of customer satisfaction in the relationship between Facebook and commitment. Further, commitment didn't exhibit any evidence of mediating role in the relationship between customer satisfaction and loyalty.

Results also found significant gender and age wise difference in the level of customer satisfaction, commitment, and loyalty. This study provides a perspective of using Facebook as online social media in order to involve and connect with customers leading to brand loyalty, customer satisfaction, and brand commitment.

INTRODUCTION

In the world of business and marketing connecting with customers through online social media, for seeking their involvement and establishing brand loyalty is on the rise. This online social media

provides an opportunity for the business and marketing professionals to engage with the customers to establish brand relationship and in ways like what Deighton & Kornfeld (2009) term as effortless talk back and also talk to each other. For

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organizations to survive in a highly competitive economy and the contemporary global business scenario, the organizations need to be customer-oriented so that it leads to highly satisfied and loyal customers (Fecikova, 2004). The customers could be satisfied if their expectations are met which may lead to brand commitment and loyalty. Brand commitment involves customer's values and belief about the brand. In this background, this study was carried out to find out the relationship of Facebook, customer satisfaction brand commitment and loyalty.

For decades customer satisfaction has been a major concern as a business goal to be achieved to gain competitive advantage. It has been defined as: "an overall feeling, or attitude, a person has about a product after it has been purchased" (Solomon, 1994, p. 346). Bloemer and Lemmink (1992) studied the influence of customer satisfaction on loyalty in a car sales context and found that customer satisfaction to be determinant of brand loyalty. Satisfaction with previous purchase experiences were likely to play an important role in determining future purchase behaviors (Jones & Suh, 2000). According to Oliver (1997; p. 12) satisfaction with a product, is defined as "a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment, including levels of under or over fulfillment". Kiyani, Niaz, Rizvi and Khan (2012) in a study to examine relationship between brand trust, customer satisfaction and customer loyalty found that customer satisfaction has a relatively higher influence on the customer loyalty which suggests that customers who perceive high level of satisfaction were expected to get motivated toward the product or brand commitment.

High involvement mostly results in high echelons of satisfaction (Mudie, Angela, and Robert, 2003). Consumers with high involvement with products or brands had been motivated to experience higher satisfaction (McCull-Kennedy and Fetter 2001). A study carried out by Bennett, Kennedy and Coote (2007) to see the relationship between involvement, satisfaction, and brand loyalty among

business buyers shows that attitudinal loyalty was a significant explanatory variable in the prediction of behavioral loyalty and had significant relationships with attitudinal loyalty and the antecedents studied (i.e., purchase satisfaction and category involvement). Punyatoya's (2014) finds that higher brand trust and involvement leads to increasing purchase intention of the brand, which reflects the commitment towards the brand.

Brand commitment as a psychological disposition implies a positive attitude toward the brand and a willingness to maintain a valued relationship with it (Chaudhuri and Holbrook, 2001; Evanschitzky, Iyer, Plassmann, Niessing and Meffert, 2006). Zins (2001) stated that affective and calculative or continuance commitment had different antecedents, contents, and consequences. De Ruyter, Wetzels, and Bloemer (1998), interpret calculative commitment as the way, the customer was forced to remain loyal against his/her desire. Affective commitment on the other hand as reported by Rhoades Eisenberger and Armeli (2001) and Fullerton, (2003) reflects a consumer's sense of belonging and involvement with a service provider akin to emotional bonding. Commitment might lead to brand loyalty, which in turn provide advantages such as greater resistance to competitors' marketing actions, positive word-of-mouth effects or reduced marketing costs (Dick and Basu, 1994). Brand commitment implies an attitudinal facet whereas brand loyalty implies a behavioral dimension (Warrington and Shim, 2000).

Loyalty has been presumably a consequence of satisfaction and brand attitudes (Oliver, 1999). Dick and Basu (1994) define loyalty as 'a behavioral response that is expressed over time through the decisions that are made among alternatives'. Oliver (1997, p.3), defines loyalty as 'a deeply held commitment to rebuy or patronize a preferred product or service in the future'. Other researchers consider loyalty on a multidimensional base by adding an attitudinal or conative (intention or commitment to consume) component to a behavioral loyalty concept (Chaudhuri & Holbrook, 2001). Perceived risk, inertia, habit, involvement, satisfaction, and the relationship

between product or service providers are some drivers of brand loyalty (Rundle-Theile and Bennet, 2001). Bapat and Thanigan (2016) report that emotional and cognitive brand experience dimensions affect brand evaluation and brand evaluation influences brand loyalty. Ndubisi (2006) investigates the role of gender in the association of relationship marketing underpinnings (trust, commitment, communication, and conflict handling) with customer loyalty. Results indicate significant gender difference exists in the trust-loyalty relationship. In view of existing body of literature, Facebook as a vital medium of building customer satisfaction and commitment and brand loyalty has not been explored in varied contexts. Therefore, in this study this dimension of the customer satisfaction commitment and brand loyalty would be explored through online social media. The dimension of customer satisfaction and its mediating effect in the relationship between Facebook and brand loyalty and commitment would also be explored. The present research aims at exploring social media Facebook as connecting medium between brand and customer, where customers might display their brand involvement through product review or liking the Facebook fan page. The study also aims to explore the role of Facebook as having a mediating effect on customer satisfaction and brand commitment and brand Loyalty by using higher order structure equation model (SEM). The variation into Facebook user interaction, the level of customer satisfaction, brand commitment and loyalty would also be tested through mean difference among gender and age group.

It is important to note that with technological advancement, ways of advertising and brand promotion through an online platform or various modes of interactive technology are evolving continuously. Recent observations indicate current generations are more engaged and involved to social media. Among the social media and social networking sites such as LinkedIn, Instagram, Twitter etc. Facebook has grown exponentially over time and become the most popular social networking site with over 1 billion users (Facebook, 2012). Facebook fan page like the brand and also write a review for the

same. That kind of customer's attitude of involvement and commitment towards brand has always been one of the goals of advertisers. Therefore, it is imperative to find out to the extent to which these Facebook fan pages have been accepted by the Facebook users and how Facebook as a social media helps promote and build awareness on the brand offerings leading to satisfaction and finally to brand loyalty. Review of literature also suggests that there is little Indian context specific literature on Facebook users visiting fan page, to understand their customer satisfaction, brand commitment and loyalty.

METHOD

Participants

In the present study, Facebook was used as online social media. A list of 201 regular Facebook users who visited Facebook fan page was drawn, out of them, 167 respondents involved in interacting with Facebook fan page dedicated to brand were considered as respondents for this study.

The Research Process

The data was collected through survey method, for which a questionnaire was developed with 30 items to measure the different constructs using 5-point Likert rating scale. 15 items were related to Facebook interaction in terms of ease of use; involvement, participation, and telepresence; 14 items were measuring customer satisfaction, commitment to brand and loyalty. 4 items on background information related to gender, age, frequency and time spent on Facebook and online social media every day.

Mean, SD, Cronbach Alpha, SEM, correlation and t-test were used to analyze the data.

RESULTS

Sample consists of 167 participants who were having Facebook account and Facebook fan page of the brand (100%). 70.1% of the participants belong to age group 18yrs -25yrs, followed by age group 26-40yrs (29.9%). 52% are male and 47.3% are female participants. 67% are student participants and rest 33% are professionals. 80% spend 30mins -1 hrs on Facebook every day and 53.7% of the participants

are following the Samsung Brand in Facebook page followed by Apple with 22.3% .

The Table I gives the descriptive picture of the items used to measure the various constructs and Cronbach alpha.

The Table II shows 80.06% of the participants find online social media (Facebook) easy, understandable and skillful to use and 71% have expressed themselves as an active user of Facebook.

48.5% of them had experienced the feeling of being in a different world in Facebook and 46.08% of them found Facebook very interesting, and important. Overall the level of online interaction level is above average which indicates that the participants have expressed comfortable ,involvement and excitement through Facebook.

Table III indicates that the level of Loyalty as indicated by the respondent is 72.1% followed by

Table 1: Showing the result of Cronbach Alpha

Construct	Construct	Items	Cronbach α
Dimensions of Face-book Interaction	Ease of use (6 items) Davis,1989	6 items	.804
	Participation (3 items) Justima and Polymeros (2012)	3 items	.805
	Telepresence (2 items) Kim and Bioeca	2 items	.784
	Involvement (5 items) Beatty & Talpade,1994	5 items	.817
Customer satisfaction	Customer satisfaction 3 items Gustafsson, Johnson, and Roos, 2005	3 items	.720
Brand commitment	Brand Commitment (6items) Aaker, Fournier& Brasel, 2008	6 items	.897
Brand Loyalty	Brand Loyalty (5items) (Chaudhuri & Holbrook ,2001) & (Zeithaml, thaml, Berry, and Parasuraman, 1996)	5 items	.897
Total items		30 items	

Source: Prepared by the author

Table 2: Mean, SD & Percentage (N=167)

Online Social media(Facebook interaction)	N	No. of Items	Mean	Mean score as Percentage	Std. Deviation
Ease of Use	167	06	24.029	80.06%	3.13
Participation	167	03	10.65	71%	2.78
Telepresence	167	02	4.85	48.5%	1.83
Involvement	167	05	11.52	46.08%	3.21

Source: Prepared by the author

Table 3: Showing Mean and percentage of Customer satisfaction, Brand commitment and Loyalty (N=167)

Variables	N	Mean of items	No as	Mean score Deviation Percentage	Std.
Customer satisfaction	167	10.50	03	70%	4.77346
Brand Commitment	167	18.90	06	63%	3.17638
Loyalty	167	18.03	05	72.1%	3.35172

Source: Prepared by the author

70% of customer satisfaction and the level of commitment is 63%. This indicates that customers were highly loyal to the brand, highly satisfied and committed to the Brand that they were following online.

Abbreviation used: Facebook (FCBK) interaction Dimensions: Ease of Use (EOUS); Participation (PART); Telepresence (TEPS) and Involvement (INVL).

Customer Satisfaction (CUST); Brand Commitment (CMMT) and Loyalty (LOYT).

Higher order Structural Equation Modeling analysis is used to establish the relationship between Facebook, customer satisfaction, brand commitment and Loyalty.

Higher order Structural Equation Modeling analysis had a total of 95 distinct parameters and 495 distinct sample moments. A minimum was achieved with chi-square value 1259.613 (df = 400, p < .000). All the study parameters were practicable and standard errors in acceptable limits. Statistical significance of parameter estimates was established as test-statistic (t-value) in each case and it was greater than threshold limit of 2.58.

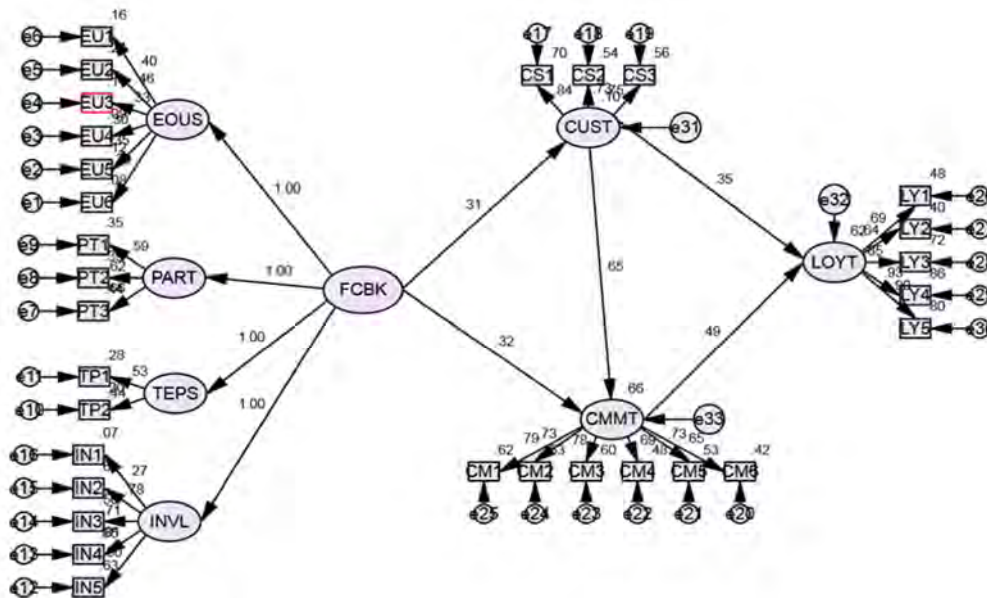


Fig. 1: Showing SEM Results Standardized Model

Path Coefficients

Table 4:

Relationship	Path Coefficient (p-value)
CUST<--- FCBK	0.313 (0.010)
CMMT <--- FCBK	0.321 (0.005)
CMMT <--- CUST	0.650 (0.000)
LOYL<--- CUST	0.347 (0.000)
LOYL<--- CMMT	0.494 (0.000)

Source: Author preapred

It is quite evident from the above table that path coefficients for direct impact of Facebook (FCBK) on Customer Satisfaction (CUST) and Customer Satisfaction (CUST) on Loyalty (LOYL) are significant at 5% level of significance. Also, relationships between Facebook (FCBK) and Commitment (CMMT), Customer Satisfaction (CUST) and Commitment (CMMT), and Commitment (CMMT) and Loyalty (LOYL) are significant at 5% level of significance. All paths are significant. There is no evidence of mediating effect of customer satisfaction

in the relationship between facebook and commitment. Further, commitment didn't exhibit any evidence of mediating role in the relationship between customer satisfaction and loyalty.

Pearson's correlation is used to study relationships between the variables under study.

The Table V, results indicate that all the 07 variables were found to be significantly correlated with each other at .01 or 0.05 level except customer satisfaction and easy to use .

The Table VI, the results show that there were no differences between male and female in loyalty, but significant differences was observed between males and female at level of customer satisfaction and commitment as females indicate higher level of satisfaction and commitment.

The Table VII results indicate that the level of customer satisfaction, commitment, and loyalty were found to be significantly different due to different age group. Age group (18-25yrs) was found to be more satisfied, commited and loyal than age group 26-40yrs.

Table 5: Table showing Inter Correlation Matrix for 08 variables (N=167)

Sl.No	Variables	1	2	3	4	5	6	7
1	Ease of Use	1	0.395(**)	0.219(**)	0.332(**)	0.147	0.257(**)	0.164(*)
2	Participation		1	0.327(**)	0.601(**)	0.227(**)	0.376(**)	0.225(**)
3	Telepresence			1	0.435(**)	0.234(**)	0.389(**)	0.282(**)
4	Involvement				1	0.323(**)	0.414(**)	0.329(**)
5	Customer Satisfaction					1	0.645(**)	0.674(**)
6	Commitment						1	0.748(**)
7	Loyalty							1

Source: Author prepared

Table 6: Difference of Customer satisfaction; Commitment and Loyalty in Relation to Gender . (N=167)

Variables	gender	N	Mean	Std. Deviation	df	t-value	Sig.
Customer Satisfaction	Male	88	10.079	2.33	165	2.78	Sig.**
	Female	79	10.974	1.73			
Brand Commitment	Male	88	18.1932	5.15252	165	2.05	Sig.*
	Female	79	19.6962	4.20425			
Loyalty	Male	88	17.2159	3.70290	165	1.27	NS
	Female	79	18.9367	2.65225			

Source: Prepared by the author **Significant at .01 level; NS: Nonsignificant *Significant at .05 level

Table 7: t-value of Customer Satisfaction; Commitment and loyalty between different age Group

(N=167) Variables	Age	N	Mean	Std. Deviation	df	t-value	Sig.
Customer Satisfaction	18-25yrs	118	10.7881	1.96051	165	2.758	.00**
	26-40 yrs	49	9.8163	2.32445			
Brand Commitment	18-25yrs	118	19.9746	4.22338	165	4.784	.00**
	26-40 yrs	49	16.3265	5.07193			
Loyalty	18-25yrs	118	18.8814	2.60889	165	5.529	.00**
	26-40 yrs	49	15.9796	4.02332			

Source: Prepared by the author **Significant at .01 level

DISCUSSION

Overall the participants expressed high level of participation through Facebook as it is easy to use and understable with 71% respondents having expressed themselves as an active user of Facebook. The level of customer satisfaction, brand commitment and loyalty were found to be high. Facebook is found to have a direct impact on Customer Satisfaction and Customer Satisfaction on Loyalty. There exists a significant relationship between Facebook and Customer Satisfaction, Brand Commitment and Loyalty. So, customers who were involved with Facebook and satisfied were more likely to develop positive attitudes and behaviors toward the brand. Facebook has emerged as a valuable platform for marketing practitioners for building brand loyalty. The results also indicate that age group (18-25yrs) was found to be more involved, satisfied, committed and loyal to brand and involved and engaged with Facebook. Females were found to be more involved, satisfied and committed to the brand through Facebook Interaction.

This study provides a perspective of using Facebook as online social media to target certain age group customers and to involve and connect with customers leading to customer satisfaction; brand commitment and loyalty. Further it provides a call for additional study in the area of customer engagement in the field of marketing on sample drawn from different professions and age groups to further understand the role of Facebook.

The research can be utilized for understanding predictors of customer satisfaction, brand commitment and loyalty through the use of online social media interaction. The result and the data can be also utilized for analyzing the rate of customers exploring products through online social media. The managerial implication is that advertiser and marketing personnel should use online social media as a cost-effective platform for marketing products, brands, and services to engage customers online as well. So companies need to stay updated with the latest technology and tools, especially when its target audience include younger generation.

This research paper indicates that researchers need to do the more detailed factor analysis to understand predicting factors of social media as the tool for brand commitment and loyalty. It is necessary to further understand the role of other online media and social networking sites in this fast changing technological era.

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