The Impact of Social Media Marketing on Brand Trust and Brand Loyalty: An Arab Perspective

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ABSTRACT

Social media gives firms a better platform to promote and build brand trust and loyalty. The objective of this study is to develop and validate a conceptual model that integrates the relationships among social media marketing elements, brand trust, and brand loyalty. Data was collected from 242 social media users in Saudi Arabia and the model was tested by employing structural equation modelling using SPSS and AMOS. The model was tested using a two-stage process, model evaluation and testing the significance of the model. Results of the hypotheses tests reveal that brand communities, entertainment, interaction, and customization features have a significant and positive relationship with brand trust and brand loyalty. The findings of this study provide a guide to social media marketers to build brand trust and loyalty.

KEYWORDS

Brand Community, Brand Loyalty, Brand Trust, Customization, Entertainment, Interaction, Social Media Marketing

1. INTRODUCTION

The technology boom of recent years has led more and more businesses to resort to social media as an interactive platform enabling effective marketing. Initially, social media was simply perceived as an opportunity to remain connected with friends and family. Social media enables interactive communication with a wide range of people to transmit messages, feeling, and emotions (Hossain & Sakib, 2016). During the last decade, social media has reached billions of people globally, due to the ease of sharing and accessing information, interacting and generating content online (Hajli, 2014). People give almost one-third of their time interacting in online social media (Lang, 2010). Further, social media provides the ability to connect with like-minded people and businesses through various virtual communities (Hagel & Armstrong, 1997; Wellman & Gulia, 2018). For this reason, researchers and industry sages enthusiastically encourage firms to engage and gain from participation in social media (Kaplan & Haenlein, 2010).

Building and maintaining brand trust and loyalty are the central themes of research for marketers for a very long time (Bennett & Rundle-Thiele, 2002; Chaudhuri & Holbrook, 2001; Oliver, 1999). In the effort to promote brand loyalty, marketers have utilized various platforms and means such

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as classical marketing mix variables, internet marketing, and social media marketing (Keller, Parameswaran, & Jacob, 2011). Yet, many studies (e.g., Edelman, 2010; Kietzmann, Hermkens, McCarthy, & Silvestre, 2011) have lamented that marketers do not seem to appreciate and utilize social media's full impact. While firms may have joined social media to increase brand loyalty and acquire more customers, the question still remains on how to build brand loyalty through social media (Godey et al., 2016). An understanding of how the different factors of social media marketing (SMM) influence brand loyalty is important from a strategic perspective. Further, research examining the effects of social media marketing from the perspective of branding literature is still exploratory and lacks empirical evidence (Hollebeek, Glynn, & Brodie, 2014). This study addresses these gaps in literature.

The purpose of this paper is to provide a framework that shows how the SMM elements (brand community, entertainment, interaction, and customization) influence brand loyalty. We test this model and further examine the mediation effect of brand trust on these relationships, which has been neglected in previous studies (Laroche, Habibi, Richard, & Sankaranarayanan, 2012). Findings from this study will contribute theoretically to the literature on the antecedents of brand trust and loyalty. From a practice perspective, this study will enable marketing managers to use social media as a tool for building brand trust and loyalty.

The study first develops a conceptual framework to show the dimensions of SMM, brand trust and brand loyalty. Thereafter, the study describes the research methods, justifies the empirical methods and explains the results. A discussion of the implications of the findings and directions for future research concludes the study.

1.1. Research Setting

The context of this study is Saudi Arabia. While there has been a phenomenal increase in social media, few researches have been conducted to investigate the use of social media by marketers. A recent study surveyed 372 social media users to assess the factors influencing consumers' attitudes toward SMM and their impact on social media usage (Sohail & Al-Jabri, 2017). Another recent study examined the effectiveness of Facebook in particular as a marketing tool in Saudi Arabia (Al-Hadban, Hadeel, Al-Hassoun, & Hamdi, 2015). They found a strong relationship between organizational presence on Facebook and its marketing efficiency. No comprehensive study has examined the impact of SMM on brand trust and loyalty. This study builds on literature and fills this gap.

Social media usage in Saudi Arabia has been dramatically increasing over the past few years to become one of the countries with the highest numbers of social media users in the region. B2C e-commerce spending in Saudi Arabia totaled about USD 8 billion in 2016 and is expected to grow at around 20% over the next few years (CITC, 2017a). This robust growth of B2C spending is driven by high levels of Internet and mobile penetration. In Q2 2017, Internet penetration in Saudi Arabia stood at 76%, which is well above the Middle East average of 59% and the global average of 51% (CITC, 2017a).

Social media platforms usage in Saudi Arabia has been increasing significantly over the past few years. (CITC, 2017b). Growth in social media platform has been the main reason for the growth of a number of internet users in the country. The number of Internet users has increased rapidly in the last years from 41% in 2010 to reach 70.4% at the end of Q1 2016. The total number of internet users is about 22.3 million. According to a survey, it was observed that the top online social networking services/applications among the respondents were WhatsApp (73%), Youtube (71%), Facebook (66%), Instagram (54%) and Twitter (52%) (Daugherty, Eastin, & Bright, 2008). With the high penetration of the Internet and increasing use of social media, marketers have been increasingly beginning to use social media to build brand trust and loyalty.

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