

# **How Social Media and Behavioral Intention Enhances Customer Loyalty**

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## **ABSTRACT**

Social media is a powerful tool for globalization, commerce and organization profitability. Thus, with help of internet and Web 2.0, that induced the outburst of social media in this present business world, and amplified the understanding and necessity of having loyal customers for product and services, eventuated research interest towards finding if social media usage enhances customers' loyalty. Therefore the purpose of this study is to research if organization involvement in Social media can enhance customers' loyalty, also, to find out if social presence affects behavioral intention, and if behavioral intention having positive impact on customer loyalty.

Both quantitative and measurable method to data gathering and assessment was adopted for the procedural basis of this study. Eastern Mediterranean University Students, who uses either iPhone, Samsung or other brand, and also, that understand social media usage were the sample for this study. Surveys were distributed to examine their opinion concerning respondents' phone brand and the company social media activities. Total number of 222 questionnaires were retrieved, while SPSS statistical analysis was conducted for necessary reliability test for the scale, as well as confirmatory factor analysis, correlation and regression analysis.

The research findings demonstrated a good understanding of social media, how it can be used to achieve organization goal, and how social media can be utilized to enhance customer loyalty. However, result reveals that social presence and

behavioral intention does have positive effect on customers' loyalty. Also, it was established that social presence has predictive positive effect on behavioral intention.

The study shows social media presence, behavioral intention are two essential points in terms of forming customer loyalty for mobile phone industries. Due to interactive nature of social media, that promotes relationships, sharing information, as well as its immense popularity, that captures large number of customers across the globe, makes it undoubtedly important for an organization profitability and sustenance.

The study however, provides further enthralling indication that social media is an active means to engage public and customer for purchase intention-related behavior. The study concludes by presenting various suggestions that mobile phones industry can use social media platform generate friendly environments, achieve and maintain customers' loyalty for their product. The limitations associated with this study is the fact that Social Presence and Behavioral Intention explained little variation in Customers' Loyalty means the model need to be empirically investigated more rigorously, including other factors that aids customers' loyalty. More so, a larger sample, and data collected across locations, these will give a more explicit analysis and assessment of customer loyalty and social media and further strengthen the results.

**Keywords:** Social Media, Behavioral Intention, Customer loyalty.

## ÖZ

Sosyal medya, küreselleşme, ticaret ve organizasyon karlılığı için güçlü bir araçtır.

Dolayısıyla, bu interaktif iş dünyasında sosyal medyanın patlamasına neden olan internet ve Web 2.0'ın yardımıyla, ürün ve hizmetler için sadık müşterilerin bulunmasının öneminin daha iyi anlaşılması ve sosyal medya kullanımının müşterilerin sadakatini arttırıp arttırmadığını araştırmaya karar verildi. Bu nedenle, bu araştırmanın amacı, sosyal medyadaki örgüt katılımının, müşterilerin sadakatini arttırabileceğini araştırmak ve aynı zamanda, toplumsal varlığın davranış niyetini, davranış sadakati ve müşteri sadakati üzerindeki pozitif etkilerini bulmak için araştırma yapmaktır.

Araştırmanın metodolojik temelini hem verilerin toplanmasına ve yorumlanmasına yönelik niceliksel ve niceliksel yaklaşımda araştırmanın metodolojik temelini oluşturmaktadır. Bu çalışma Doğu Akdeniz Üniversitesi'nde iPhone, Samsung veya diğer marka kullanan öğrencilerin sosyal medya kullanımını anlamının bir örnekleymiydi. Katılımcıların telefon markası ve şirket sosyal medya faaliyetleri hakkındaki görüşlerini incelemek üzere anketler dağıtıldı. Toplam 222 anket formu alınırken, ölçek için gerekli güvenilirlik testi ve doğrulayıcı faktör analizi, korelasyon ve regresyon analizi için SPSS istatistiksel analizi yapılmıştır. Bu çalışmanın bulguları, sosyal medyanın iyi bir şekilde anlaşıldığını, organizasyonun hedefini gerçekleştirmek için nasıl kullanılabileceğini ve müşteri sadakatini arttırmak için sosyal medyadan nasıl yararlanılabileceğini gösterdi. Bununla birlikte, sonuçlar sosyal varlığın ve davranış niyetinin müşterilerin sadakatini olumlu etkilediğini

ortaya koymaktadır. Ayrıca, sosyal varlığın davranışsal niyet üzerinde tahmini pozitif etki yaptığı saptanmıştır. Çalışma, sosyal medya varlığının, davranış niyetinin, cep telefonu endüstrileri için müşteri sadakati oluşturma açısından iki önemli faktör olduğunu gösteriyor. Sosyal medyanın etkileşimli yapısı nedeniyle, ilişkileri teşvik eden, bilgi paylaşımı ve geniş çaplı popülaritesi, dünya genelinde çok sayıda müşteriyi yakalaması, bir organizasyonun kârlılığı ve beslenmesi için kuşkusuz önemli. Ancak bu çalışma, sosyal medyanın niyetinin ilişkili, davranış , satın alma söz konusu olduğunda etkin bir araç olduğunun daha güçlü kanıtlarını ortaya koymaktadır. Çalışma, cep telefonu endüstrisinin sosyal ortam platformu kullanarak dostane ortamlar oluşturabileceği, müşterilerin ürünlerine olan sadakatini sağladığı ve sürdürdüğü çeşitli önerileri sunarak sonuçlandırıyor. Bu çalışmayla ilgili sınırlamalar, Sosyal Varlık ve Davranış Niyetinin Müşterilerin Bağlılıklarındaki küçük farklılıkları açıkladığı gerçeğidir; bu da, modelin müşterilerin sadakatine yardımcı olan diğer faktörler de dahil olmak üzere ampirik olarak daha kapsamlı bir şekilde araştırılması gerektiği anlamına gelir. Daha da önemlisi, daha büyük bir örnek ve yerlerde toplanan veriler, müşteri sadakati ve sosyal medyayı daha ayrıntılı bir şekilde analiz etmeye ve sonuçları daha da güçlendirebilir.

**Anahtar Kelimeler:** Sosyal Medya, Davranış Niyeti, Müşteri Bağlılığı.

## **DEDICATION**

I dedicate this work to God Almighty, the truss for this prodigious achievement, I also dedicate this work to those who have set academic goal for themselves, and not willing to give up till it's achieved.

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## **LIST OF ABBREVIATIONS**

BI	Behavioural Intention
CL	Customer Loyalty
EMU	Eastern Mediterranean University
FLE	Front Line Employee
SP	Social Presence
SVW	Social Virtual World
MPP	Management Policies and Practices
WOM	Word of Mouth

# Chapter 1

## INTRODUCTION

### 1.1 Background of the Study

Social media is a powerful tool for globalization, it's a platform that enables both automated exchange and universal marketing, and it facilitates the contacts building process of a social circle. It has done a great work in connecting people of different background, race, culture and languages.

Social network was defined by (Danah & Nicole 2007), as internet-based services which enables individuals to build unrestricted or partly restricted profile within a constrained structure, also to express online presence with users they have relationship with, and to see their number of associations and the ones with others in the structure. The state and nomenclature of the association within the structure may vary from site to site. Social media interaction has paved way for different organizations to penetrate their targeted markets, globally competitive, while individuals and groups thereby creating awareness for their products and services and publicizing it through cheap and effective fashion which would have cost valued resources and series of adverts.

Behavioral Intention connotes a predictive possibility or subjective tendency that he or she will execute certain behavior. (Center Committee on communication on behavioral change, 2002).

It is an important factor that contributes to customers' loyalty behavior. A strong intention to carry out certain repurchases behavior overtime will likely result in loyalty.

The concept of behavioral intention opined that intention to act is determine by attitude, norms and perceived control, this denote that customer behavior is dependent of one's intention. Several researchers of various settings discussed the formation of behavioral intention, and how it explains customers buying behavior for outstretched understanding. (Han 2010, Han & Ryu, 2006).

Consumer loyalty attest a motive to execute a different behaviors that shows readiness to continue having a relationship with an organization, as well as designating greater part of their income to acquire specific product or service, and also professing good word about the product, i.e., positive word of mouth, and re-purchase (Zeithaml, A. 2000).

Through social nets, the cost of information is reduced to minimal, which promotes sensitization, publicity and commercials via social group communities on a social networks setting. (Sargeant and West. 2001, Water 2009, & Kanter 2009) Enlightening and informative programs experience upsurge with help of social media. Most businesses have utilized social media to connect and penetrate to the targeted groups and consumers for their products and services, thereby convincing them on the patronage and rebuy of their products and services.

However, engaging in social networking has reduced the cost (psychological, physical and financial) of marketing in some firms. Apple and Samsung are

electronics and mobile phone industries whose acceptance experience great momentum via social media, their active presence on social media, is an effectual parameters and overpowering strategy that helped penetrates users mind and make them believe their brand. Though, other factors, like brand image, which when align well with social media, gives maximum benefits, promote awareness and also influence customers trust and intention to use and re-use a product (Steve Horton 2012; Carmine Gallo 2012).

When an organization maximize the use of social media networks to influence the experience of their customers positively, customers becomes brand mouthpiece and promotes the brand, through usage experiences, and reviewing their businesses base on customers complaints, feedback and view on features and quality needed in products. Thus these factors assist in product improvement, culminating into a standard global product.

The concept of social media allows establishments to make interaction with the customers, through different platforms, and most platforms have more than seven hundred thousand firms and two billion subscribers with active pages, which number of them also uses other social media platforms, this benefits organizations a great deal, making larger percentage of lively internet users believe, and have more confident of organizations that keep an active cooperate social media platforms (Hird, J. 2010).

Mobile phone companies consider social media engagement as one of the best option and opportunity of drawing prospective customers and loyal supporters. Any mobile phone company that hasn't involve the use social media is deserting and

lacking important winning strategy for profitable business, and achieving business nature that connects with prospective customers. Most Telephone companies such as Samsung and Apple operates Facebook, YouTube, Google and Twitter account, to mention few, apart from official company website, for the purpose of business and marketing activities. Twitter serves as a channel of customers' interactions and delivering of good and quality service, getting feedback, while Facebook for pictures, information, brand knowledge and awareness, of new product, YouTube displays visual activities of an organization and the brand. Google and other media provide written, audio –visual supportive information that builds intention to buy, customer relationship, and gain valuable customers' insight (Kristana Cisnero 2014).

Also, many Telephone industries had developed internet apps, which ease the stress of downloading music, games and sharing files. Also, various mobile phone industries have come up with ideas of creating a platform which enable customer to communicate feelings and satisfaction level, also, it provides opportunity to monitor their brand followers, loyalist and generates feedback that leads to improvement in product and services for such that needed urgent attention. They do this through active engagement in social media.

However, it is good to note that blogging is another avenue to penetrate and hoodwink many users of social media particularly for content selling promotion. There are many blogs on the platform of social media, which fosters the appearances of a firm or brand and in reaching the targeted groups. It does not only increase the consciousness of business existence but similarly generate more engaging and drawing customer for company's social platform, i.e., Twitter and Facebook.

Also, many individuals using social media platforms equally share the experience and feelings they received on other platforms and recommend to friends and others. This fact needs to be acknowledged and follow up with pleasing and fascinating formats, if any social involvement must yield good result. It's also an important step is to locate where the discussion and presence is high, then target and engage such group, move to get hooked with supporters and potential consumers to build a good, foremost and lasting brand reputation, connection and equally identify the brand supporters and detractors. Usually, the brand supporters are considered as the first customers to benefit from the loyalty promos or bonanzas.

The normal loyalty promos are in line with the fixed substitute or complementary goods that can be consumed, produced by same company such as Handsets with tablets, purchasing computers and software with a recognized cards or involving in a service via a partner line. Note these do not justify the follower's social discussions. Some industries have offered bonus and packages according to the customer consistent purchase of any of the listed services. Therefore, to consider the power of social media happenings and activities, it's noteworthy that mobile phone industries such as Apple, Samsung and others incorporate their customers in social dialogue, and offering loyalty promos through social network.

## **1.2 Statement of Problem**

Owing to a major breakthrough in information and communication technology, with help of internet and Web 2.0, i.e., user entered application and social media platforms that aid organization access to be ubiquitous, global reach through interaction with large audience and provide rich information to prospective customer. Meanwhile, lots of early Multinational Organization has harnessed the said opportunity of

internet enable Social media to be globally recognized, and also to engage customers across the world for loyalty.

However, scholars has conducted various research to juxtapose the relationship between organization involvement in Social media and human capital, intentions to re-buy & computer-generated customer relationships ( Ching- Wei Ho & Yu- Bing Wang 2015 ), and also how it influence consumer value, trust and loyalty (Deepak Sirdeshmukh, Jagdip Singh, & Barry Sabol. 2002). Moreover, critics ensue, contesting the credibility of Social media as a tool that foster human capital, relationship, trust and loyalty behavior towards a brand, or an organization.

It is on this controversial background that this study is interested to find experimental and reliable answer to the assertion of “Organization Social networking, Utilizing Social media along with behavioral intention to enhance Customers loyalty”. Therefore, finding research answer to the above statement.

### **1.3 Research Question and Purpose**

This study is geared to observe if organizations can utilize Social media to increase customer loyalty. Therefore the aim of this research is better examined under the following topics:

- To find if there’s positive relationship between Organization involvement in Social media and customer engagement and loyalty.
- To find if there’s a linear relationship between behavioral intention and customer loyalty.

- To find if Social media will affect behavioral intention.

#### **1.4 Scope of the Study**

This work is coined to examine Organization and social media presence, and ways of utilizing social media to engage customer's loyalty, however, among myriad of variables that can influence behavioral intention, and customer's loyalty behavior to an organization and its products. Thus, this research is proposed to see the empirical effect of social media presence on behavioral intention, and how it significantly predicts customers' loyalty towards mobile phones. However, social media presence, behavioral intention and loyalty customers' questionnaire will be used to measure the correlation between these variables.

Therefore, Social presence and Behavioral Intention are the independent variables, while customers' loyalty is the dependent variable.

## Chapter 2

### LITERATURE REVIEW AND THEORIES

#### 2.1 Literature Review

These researchers discussed and juxtaposed means to undertake digital customer connections (i.e. relationships with the product, the company, and other supporters) through social media based community (such as, Facebook customer relation pages) and to encouragement post-purchase intentions, positive word and rebuy intentions. Ching, Wei (2000)

Social media is an approach that supports both automated exchange and global commerce, which allows the practice of strong connections, influence members' perceptions and actions that rapidly distribute information and awareness of the product.

Thus, Social media plays a functional role in reformation of buyers' attitude, for example, buyers devote their leisure time to surf internet, connect with people via social media platforms, this cause a daily increase in time spent on social platforms. Meanwhile, various researchers, such as, (Kaplan & Haenlein, with Ouwersloot & Odekerken-Schröder), supposed social media involvement turns out to be an integral part of human life, and becomes significant topic to be discussed. Royo-Vela & Casamassima (2012) ascertain that, involvement in a practical brand community tends to inspire members' behaviors to act in a related manner, with the involvement

outcome frequently conferred on loyalty from previous researches. Therefore, people who categorize themselves as a member, and have affiliation with a specific group or association, are expected to conform, follow the directives and exhibit loyalty behavior to products and services offer such group. Although, being a member of a brand community project to have helpful and adverse effect on users, many scholars strongly believed that social media base community membership will have progressive impact on customers' loyalty.

Conclusively, Ching (2000) established that the more an individual engage in Social Media, the likelihood to recognizes himself as a member of the online brand group, in which he also exhibit post-purchase behaviors that results in brand loyalty.

Hence, social connection is a means of building strong interaction amidst company's stakeholders, this also enable online-marketing or global marketing. Kaplan and Haenlein (2002) define social networks as community of Internet-enable platforms that was found on the conceptual and scientific background of electronic connection, which give rise to the formation, sharing and exchange of generated content and information. Without accuracy, of all the social media platforms, Facebook is famous and widely used, it claimed to have attracted over 2 billion monthly active users (May 2017) since it started thirteen years ago (<http://www.facebook.com>). More institutions and supporters indicated that it is crucial for a firm to establish its presence on a social platform, that is, they can create a brand community page with Facebook, where supporters and buyers will relate and communicate directly with companies or brands with the of click of "Like or Statement" on the brand page.

Thus, structured questionnaire was developed and administered to the selected group of confederates used for this study, meanwhile this are members of the brand fan-page. Thus, the survey was dispersed across social media networks, such as Facebook, google and etc. The Participants were encouraged to remember the Facebook brand fan-page in which they have membership with, and actively engaged while members should follow through answering and asking questions. The questionnaires were administered and data were collect using internet source.

The confederates for the research were randomly selected, and assured concealment and privacy in relation to their completed surveys. Moreover, the questionnaires was accompany with explanatory letter, this letter was attached for comprehension, and reduction in response bias all through the finding. The data was collected over couple of days and weeks, while data collection period was over, the sum of 216 completed surveys were recovered and analyzed. The results showed there's significance with social media and customer relationship.

However, limitations of this study were the accepted community identification birth post-purchase. Secondly, the sample selected for this study were people under 30 years old, hereafter, their answers may not be suitable to explain the population at large, though situational limitation could be avoided in this study, the questionnaire could be in another language, thus, using only one language could confine the result of the study to particular location. Thus, they suggested that other upcoming research should design multiple language questionnaire in order to accommodate people from other regions. Finally, this work observed online customers' on a different platform of social media based brand group, so the results could not be ascribed or extrapolated with other media. Thus, future research can focus or examine online

consumers' involvement with regard to diverse types of online commerce presentations with specific brand or product settings. The framework of further design of online based social sites, shows there are lots of newly implemented social media sites, and computer-generated contents, this research enlisted 15 most populous social media platforms rated by Alexa Global Traffic Rating. Part of it include, Pinterest, Facebook, Twitter, Skype, Instagram, Viber, Wastapp, and others. Moreover, for future research, the author suggested the research could be extended to Instagram user communities.

Deepak, Jagdip & Barry (2002) institutionalized in their study within the parameter of Trust, Value, and Loyalty in Social Exchanges. They expounded in an attempt to comprehend organization actions, and works that align, or hamper trust for company, and mechanism that transform consumer trust into loyalty behavior in communication exchange, it was ascertained that trust is the "bedrock" of loyalty and long-term associations. Garbarino and Johnson (1999) have suggested trust as an important factor in communication exchange. Urban, Sultan, & Quails (2000) anticipated buyers' trust as a crucial point in achieving solid interpersonal relation with buyers' and viable market segment. More importantly, Reichheld & Scheffer (2000) posited that, to achieve customers' loyalty, it is necessary to earn their trust. In their framework, they proposed a multidimensional conceptualization for the trustworthiness structure, and incorporate double distinctive contacts of consumer trust, which include: forefront employees (FLE), management policies and practices, (MPP) while value is a significant arbitrator of the trust-loyalty interaction.

Deepak, et al. explicitly classified this work into four aspects which are worth mentioning. Firstly, it distinguished the differences with credibility and trust;

established various, multidimensional approach to behavioral components of credibility; and examine the discrepancies on consumers' trust, also to grasp the connection among trustworthy behaviors and practices to consumer trust. Moreover, consumer trust was examined, using a method that advance connection among consumer trust and loyalty, the ensuing effect of the connection serves as an important intermediating factor. Finally, data was collected from two service providing organizations, to observe the upshot of the established approach.

However, research outcomes generally back up the impact of functional benevolence in building trust, and customers' loyalty. (Hess 1995; Smith & Barclay 1997). In another experimental inquiry of consumers' loyalty for a product, it was demonstrated that brand altruism, or feeling that the product will interests consumers, explains the rationale for variance in product trust and loyalty. It reported that behavioral disposition of company's staff has a predictive weighty impart in buyer-seller relationship.

Consumer loyalty is said to be a deliberate intention to carry out a certain actions indicate readiness to keep a bond with a particular firm, towards spending a greater portion of earning in exchange for specific product or service, speaking positively about the product, i.e., product recommendation, and frequent buying (Zeithaml, Berry, & Parasuraman 2000). They illustrated and encouraged companies should perform activities that promote consumer trust, as this will vehemently reduce perceived risk for such firm, while this give consent to consumer for make reasonable predictions about the firm's future behavior. Whenever company's activities and performance is observed as such that reduce perceived risk, the association between firm and consumer is strengthened. Owing to a supportive text,

this literature gave that, consumers are likely to retaliate in an optimistic cooperative manner toward such a reliable service provider, in attempt to maintain the existing relationship by exhibiting intentional sign of loyalty (Gassenheimer, Houston, & Davis 1998). Hence, any increase in FLE and MPPs trust, will probably enhance consumers' loyalty. However, trust will significantly affect loyalty when the product offering meets or satisfies consumer's expectation, it also give customers' feeling of congruence in values with the provider. The similarity with the firm and the consumer in relation to the product offering, strengthens consumer's relationship with the product, hence, contributing to behavioral commitment. Gwinner, Gremler, & Bitner (1998) shows such value concurrence will expressively determine consumer's loyalty and fulfillment.

Two industries were examined for this study. A wholesale (clothing business), and services providing (airline travel). Using multiple service firm enable a reliability test for the constructs, the constructs analysis reveal the unevenness in the constructs. The modeled connections was analyzed concurrently and compared for equality through the two service contexts. Thus, a thousand, two hundred thirty respondents were randomly selected with family annual income of thirty five thousand dollars and above, for each service category, the questionnaires containing the measures, attached with it letter that explain purpose and a stamped envelope for return. The letter explained the research purpose, ascertain the secrecy of given response, and complement the respondents in anticipation. Therefore, the survey items were designed to examine FLE activities, trust, MPPs and its trust, value, and loyalty, these were filled out, and also, the participants responded demographic question. Weeks after, the retest was carried out; the second phase of data collection was

conducted, with questionnaires mailed to respondents adopting the same previous method for delivery and return.

Method of Analysis: The hypotheses were examined by presenting dummy variable terms to check for the cause – effect relationship for each interested variable to be manipulated. Thus, owing to various dependent variables, the method of its data analysis was based on synchronized evaluation.

The results matched the given model alongside with the airline travel and cloth retail firms, using multiple regression analysis. Originally, all paths were fixed across the data collections and it evaluated a full controlled model. However, the consequential factors and statistics value are written as derived in the result. The statistical test value for the goodness of fit, with the structural assumption that match the data perfectly is ( $\chi^2 = 97.3$ , d.f. = 87,  $p > .21$ ). In respect to this, it also show a fit with a related key, Normed fit Index, and comparison fit index = .99 and total gauge for the fit, that is, root mean square error estimation = .02, 0.09 CI = .00-.037; and .03 acceptable root mean square point that the projected ideal explicitly explain the conversion among the variables. In addition, the non-normed fit index, which displayed the equilibrium point amidst clarification and parsimony, outstrips 0.99, demonstrating that the postulated model hits stabilize position among the contending goals. Equally, the projected model describes the accepted percentage allowed for variation in the dependent variables, with loyalty ( $R^2 = .48$ ), trust for FLE ( $R^2 = .75$ ), trust for MPP ( $R^2 = .75$ ), and value ( $R^2 = .40$ ). Thus, the resultant findings are coherent with contemporary belief that the model is an essential point in loyalty relational exchanges between a firm and customers.

Matti & Jari (2010) in their attempt to expound the effect of social media presence on customer loyalty, using social virtual worlds, posited that Social virtual world influences how human being spend leisure time, and relate with others, also delineate that, it have an intense public and economic benefit, Messinger (2009). Social media is peculiar to several online business services, its aid the attraction and retention of users. Customer loyalty is matter of the heart for a successful online business, and for every organization. Social virtual world in addition sell simulated items, engaged in promotional and public services as a major spring of revenue, considering the drivers of loyalty behavior is however important. This work therefore, demonstrates users, and place two main observations on behavioral loyalty, that is, incessant use and re-purchase behavior as the modeled variables.

Social media presence is the use of electronic medium in sourcing for automated communication, e-commerce and online loyalty (Cyr 2007). Thus, presently, there's limitation in knowledge of social presence role as it concerns virtual worlds. However, this work explains social presence as a determinant of trust and uninterrupted link to loyalty behaviors.

The major influence of this work is to differentiate between trusts in the SVW, and empirically see its effect on both significant aspects of customers' loyalty, namely; incessant use and re-purchase behavioral intention. They also considers the influence of social presence on trust and Customers' loyalty in SVWs. (Oliver 1999) discussed actions customers' exhibit after purchasing a product.

Customers' loyalty was stressed in the literature of consumer behavior, Coyles & Gokey 2002), in the electronic market sphere, customer loyalty was rather discussed

as the presence of the internet in promoting the retention rate of available customers. (Reichheld 2000) further explained the rationale to gain deeper levels of customer loyalty than just frequent purchase or re-purchase and more research explaining customer loyalty in social virtual world. Owing that prior research on this topic is scanty. The results indicate that the hypotheses for the study were supported, there's significant R2 value for continuous use intention and buying intention, showing that trust and social existence are focal point for loyalty-related behaviors.

## **2.2 Supporting Theories for the Study**

### **2.2.1 Consumer Behavior Theory**

Consumer behavior is a topic of interest to early researchers, about three hundred years back, while certain group of economists, namely; Nicholas Bernoulli, Oskar Morgenstern & John von Neumann, commenced the investigation regards the foundation of consumer decision making (Richarme 2007). The primary research examined the subject from an economic angle, and intensify majorly on the purchasing act (Loudon, & Della Bitta 1993). Consumer Behavior deals with the consumer buying behavior. It is define as the way consumers, individual or cooperate body choose, buy, consume, and dispose ideas, goods and services to satisfy their needs.

Given to Engel, Blackwell & Mansard, 2010. Consumer behavior is the practice and resolution processes of individual who procure products or services for personal usage. Loudon et al, 1993. Consumer behavior is a voluntary decision process and individual action, when they value, procure, consume and dispose certain product and service.

Therefore, theories that centered on consumer behavior delineate how consumers buy different products and services. Moreover, consumer behavior also describes how a consumer shares its earnings for the purpose of acquiring diverse commodities and how his or her choice can be distorted by price. The two major approaches that expressly juxtapose the theory of consumer behavior are the Cardinal utility theory and the indifference preference theory, these will be separately explained.

The assertion that human needs are insatiable, limitless and they are of various intensity is the core interest of cardinal utility approach. This further explained that the resources which can be used in purchasing commodities are not only limited, but they can be substituted for other uses. In light of scarce or inadequate resources, mostly all needs cannot be met and satisfied concurrently. Thus, consumers are faced with decision making on what to buy, they prioritize the gratification of wants according to its importance, which need to satisfy first and which one to suspend till conditions are met for its satisfaction. For example, a thirsty man goes to a supermarket to quench his thirst, he has choice either to purchase coca cola, tea or water. Here, the consumer select coca cola since it provides satisfaction. In practical term, a consumer purchases a commodity because he or she derive benefit and satisfaction, i.e., utility. Thus, the important element for the analyses of consumer behavior are discussed below.

Utility: Jevon (1835 -1882) was a major economist that describe utility in economics. He coined that utility is a fundamental factor that explain reason why people request a commodity. Utility is defined as an ability that a goods or service will gratify a want. Hence, the gratification which is plagiarize from consuming a products, for example, house has high utility to human, because it gives shelter and comfort.

Human beings are hedonistic in nature, love to derive utility from usage and consumption of goods, which value is crucial to human satisfaction, this varies from individual to individual. The utility a smoker derives from smoking cigarette is greater and different to who doesn't smoke.

Thus, it is worthy of note that the word "utility" may not be muddled with pleasure achieve by an individual from a commodity.

The main postulation or grounds on which the phenomenon of cardinal utility lies, are under rationality, measurability, consistency of money, diminishing marginal utility, and introspection method. The cardinal utility was criticized that is not measurable nor addible. However, it was coined that the model of utility should be substituted by the scale of preference. Hicks and Allen (1928), in an attempt to advance the work of Pareto, presented the method of indifference curves. Hence, substituting cardinal utility method for ordinal utility function.

The viewpoint of Ordinal Utility/Indifference curve presented by a Russian Economist, Slutsky, was conceptualized further by Hicks et al, (1928) that indifference curve is a function of different combinations of two goods which produce same level of satisfaction to the consumer. Indifference curve present several mixtures of two goods that produce similar pleasure to the buyer. These scholars emphasized that it is wrong to found the model of consumption on two premises, i.e., an individual will only buy one commodity at a time, also that, utility can be quantified. They argued that utility is purely independent and cannot be measured. Though, human beings prefer to combine complimentary products, and as well like to purchase one product at a time, the consumer behavior theory was

established on the parameter of preference and the ordinal ranks, i.e., stages of preferences.

Note that the concept of utility or the indifference curve centered on some major premises.

i. Selective behavior of the consumer: It is credited that consumers are selective in decision making from their expenses on consumer goods.

ii. Utility is ordinal: Utility could not be quantified in cardinal term. It can however be expressed in term of orderliness. That is, the consumer can rank a collection of goods conferring to the satisfaction gotten from each basket.

iii. Consistency in selection: A buyer is perceived to be stable in his buying behavior over specific period. i.e., if the buyer desires to select good A with good B, he/she should be consistent in his/her selection. His desire for good A with B should not change over time. It can be represented with following mathematical equation: If  $A > B$ , then  $B > A$

iv. Consumer's favorite does not contradictory: This connotes that if basket A is preferred over basket B, and basket B is preferred over C, then in total, combination A is rated higher. Thus, combination A is automatically chosen over C. this can be expressed as: If  $\uparrow$ ,  $B \downarrow$  and if  $B \uparrow$   $C \downarrow$ , then  $A \uparrow$  and  $C \downarrow$ .

v. Goods are substitutable: The satisfaction benefit for an individual can be sustained at constant level by using more of a good than other. Various mixture of the two

commodities could be substituted for each other, thereby making a consumer unmoved by whichever good he receives, Coca-Cola and Pepsi for example. Thus the theory analytically delineate the various factors that influence the consumer behavior, and intention to re-purchase a commodity, along with the selling factors such as product design, price, promotion, packaging, value positioning and availability.

### **2.2.2 Customer Loyalty Theory**

Keiningham, L., Terry G. & Henri Wallard, and John Wiley & Sons, 2005), Loyalty Myths; suggest that “loyalty is considered as the tendency that a buyer will patronize and re-buy a product at any opportunity to do so. It further explained however that, customer purchase goods and use services in fraction, i.e., a customer may buy product A often times than product B, and C. This stresses the fact that, absolute loyal customers are uncertain and rare. Thus, in real life scenario, effort to make customers absolutely loyal is impracticable. Therefore, company’s objective and realistic aim is to make customers loyal as probable, which is, to motivate customer to buy more, getting the larger part of their wallet, via frequent purchase and general profitability of the company. Organization goal, and loyalty programs provided, should be towards achieving customer loyalty, with high possibility.

Behavioral loyalty is depicted by consistent purchase of a product offering, brand or service from a company, without actual reason. Greater number of existing loyalty program follows the pattern of behavioral loyalty, i.e., the more you purchase, spend with the company, the more reward or bonus you get. While, attitudinal loyalty, second element and covert part of loyalty, concentrate on the psychological commitment, and the bond with brand. Also, an understanding of loyalty consist of

the understanding of buyers' motive, feeling and actions towards purchasing the product/brand.

Stages and types of customer loyalty program user includes: 1. Never Users: these are those that are not affected by loyalty program, they tend not to purchase or engage the service of a firm not minding their loyalty program and reward incentives. 2. Light Users: This is known by people who purchases good in moderate term, although they have compensation program memberships and being motivated by its inducements. 3. Heavy User are people who proves an active purchase and highly motivated being a members of compensating programs. 4. Extreme Users are the customers that are practically hooked to, or obsessed with company's loyalty programs.

Customer loyalty theory explains factors that directly or indirectly affect customer loyalty, these factors includes the following: Age: young customers, specifically those with in deep knowledge of internet could perhaps display low customer loyalty, compare to the older customers, or customers who doesn't use computer & internet. Thus, customer improve a relief level with the company and brand they use frequently, therefore, the implication that these customers get acquainted with such company, brand and staffs, will create much esteemed relationships over time, which fosters customer loyalty.

Gender: Discrepancies amidst male and female customers influence their buying behavior. Generally, females display the tendency to value long period connections than their male correspondents. Women also sense and demonstrate loyalty to a particular brand with which they have comfort. Usually, women tends to instigate

lasting pleasurable interfaces readily with associates and staffs. If these pleasant overtures are maintained by employees in responsive mind, the customer may come to anticipate positive recognition, which lead to customer loyalty if this occur frequently over time.

Education also has positive direct relationship on customer loyalty, such that educated customers pays attention to new business openings, adverts that brings greater price or an exclusive experience, the constant information update from reliable sources, such as the Internet, TV, radio, newsletters and publications.

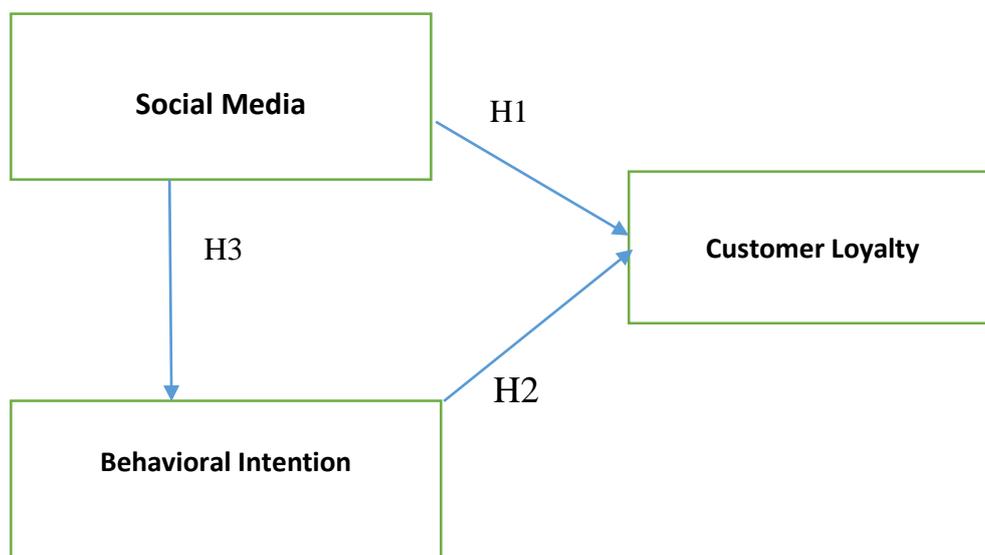
Expectation: Customer gratification occurs when outlooks in certain product are met and surpassed; however, consumers' desire varies across individual, meanwhile, in attempting to derive customer loyalty exclusively through the product features, companies should gain customer loyalty by learning what their own customers appreciate and value and offering products that meet those expectation.

### **2.2.3 Social Presence Theory**

Social presence theory (Fulk 1987) was explained as the phenomenon for information sharing, it enable users to think of others as physically and psychologically existing, which impact can be felt. The theory views social presence as an embedded excellent value in the method of its interaction. Organization involvement in social media has been identified in terms of the media's capacity to convey verbal and non-verbal signals. Hence, from psychological perspective, it is recognized as humorous warmth of social platforms. It is the ability to transfer the feeling of human sensitivity and humor across through a picture, signs, symbols and letter (Yoo & Alavi 2001), (Hassanein & Head 2006) inferred that photographs and personal compliments, to mention few, can increase websites' or online social

presence. The concept of social presence theory signifies the web capability to transmit a sensation of human presence directed towards having a positive impact on customer purchase intention and loyalty. Additionally, online presence fosters trust in ecommerce world (Gefen & Straub 2000). Thus, high sensed social media presence of an organization could be relevant instrument for product trust and customer loyalty.

### 2.3 Conceptual Framework



### 2.4 Hypothesis

H1. Social media involvement will have positive impact on the customer's loyal

H2. Behavioral intention will have positive impact on the customers' loyalty

H3. Social Media will positively affect Behavioral Intention.

## **Chapter 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Overview**

This current chapter deals extensively on the steps and methods applied in this research. It contains the approach used, sample size, number participants for the study, and sampling technique adopted in the study. Other parts of this chapter include source of data collection, construction, location and distribution of questionnaire and the techniques used to make the final data analysis.

#### **3.2 Research Design**

The center of this study is subjective and qualitative. In any case, some quantitative methodology was utilized as part of request to pick up a superior comprehension and potentially empower a superior and more astute understanding of the results of the study. This study was directed and achieved through a contextual existential illustrative plan. The inspecting outline portrays the rundown of all populace units from which the example is chosen (Cooper & Schindler, 2003). Sample of respondents was drawn from the users of different Mobile telephone who include students both foreign and the natives who resides in Famagusta. The survey outlined in this study involved three segments. The first segment incorporated the demographic and operational attributes to decide basic issues including the demographic attributes of the respondents. The second part was committed to the distinguishing proof of the part that measure respondent loyalty to the mobile telephone of their choice where the three variables of the study were put into core

interest with some likert questions. The third part was an open ended questions to determine respondents view on influence social media can exert on customer loyalty.

### **3.3 Data Collection**

This study gathered quantitative information between March 2017 and May 2017. Data was gathered utilizing a self-regulated poll. Also, where it demonstrated troublesome for the respondents to finish the questionnaire quickly, the researcher left it with the respondents and returned to gather them up later. The primary source of data was questionnaire. This was employed in gathering the raw data that proved to be the first hand information.

The prepared questions were utilized, considering the environment and time availability. Additionally to encourage in less demanding investigation as they are in quick usable structure; while the unstructured inquiries were utilized in order to urge the respondent to give a top to bottom and felt reaction without holding back or feeling kept down in uncovering of any data. The information from the administration was coded into SPSS to empower the reactions to be gathered into different classifications after which the information was broke down utilizing illustrative insights analysis. The information was broke down utilizing SPSS adaptation 21; PC program that presents information in a compressed type of graphs and tables, furthermore encouraged examination. Likert scale was utilized to rate the variables distinguished in the survey altogether of their significance. The weighted mean of each variable was computed and the components positioned from one with most astounding weighted intend to the least. Cross organization was utilized to recognize the connections between given qualities and loyalty of clients.

### **3.4 Research Sample Size and Population of the Study**

A sample of 250 respondents from the location in extents that every location bears to the populace in general was taken using random arbitrary example which gave everybody in the populace an equivalent likelihood possibility of being chosen.

This research employed about two hundred and fifty three respondents, these are students who resides in Famagusta city in North Cyprus, Via Mersin 10, Turkey. They consists of both foreigners and nationals students who have access to different mobile telephone.

### **3.5 Questionnaire of the Research and its Administration**

The questionnaire was prepared and monitored by the researcher; he adopted the 5 points likert scale questions in rating the responses to the questions. The questions were grouped into sections, 1 and 5 are extreme strongly disagree and strongly agree. The questionnaire was prepared from the literature review in chapter two of this work and reference was made to other works of great researchers. In administration of the questionnaire, it was dully monitored by the researcher in order to harness the originality and authenticity of the information provided by the respondents. Measures were taken to curbed ambiguity and misrepresentation, cause by low ability in English language of the citizens and foreigners whose native language is not English language. In order to avoid any kind of bias response, the researcher engaged somewhat unstructured assistance, created more familiarity and bond of brotherhood with the natives in order to guide with some technical terms in the questionnaire.

### 3.6 Dimension of the Model Used in the Study

This study has been categorized into three major dimensions, which are; Social Media, Behavioral Intention, and Customers' Loyalty. However, Social Media dimension, Behavioral Intention and Customers' Loyalty dimension in conceptual model of the study were measured by the following questions respectively.

<b>Social Presence of your mobile phone company on social Networks/media</b>	
SM1	I felt a sense of human contact in the webpage.
SM2	I felt satisfied with the information and advert in the webpage.
SM3	I felt a sense of friendliness in the webpage.
SM4	I felt a sense of human feeling in the webpage.

<b>Behavioral Intention to mobile phone on Social Media</b>	
IB1	I would be willing to talk positively about this brand to my friends.
IB2	I would be willing to recommend this brand to my friends.
IB3	When visiting forums, I would be willing to say positive things about this brand to other people.
IB4	The likelihood that I would make purchases of this brand is very high.
IB5	I intend to keep buying the services of this brand via social network.

<b>Customer's loyalty of your mobile phone on social Networks/media</b>	
CL1	I use services from the agency's webpage because it is the best choice for me.
CL2	If I had it to do all over again, I'd buy services from this webpage.
CL3	When I see a new brand, somewhat different from those of mine, I will not try it.
CL4	I say positive things about my brand on the social media to other people.
CL5	I deal with the brand because I want to, not because I have to.
CL6	I consider myself to be a loyal patron of the phone brand.

### 3.7 Data Analyses Techniques and Pilot Study and Testing

This test reveals the validity and reliability of the research work. It reveals the understanding rate of the respondents towards the questions asked in the

questionnaire. This test aids the researcher to know where to make some corrections in making the questions very clear to the respondents. To ascertain the reliability and validity of the research instruments, twenty five (25) respondents from the sample population are administered the copies of the questionnaires so that the entire items of questions from the instruments are evaluated. The researcher has retrieved only 15 copies from them.

### **3.8 Location of the study**

Turkish Republic of Northern Cyprus (TRNC) is the location of the research. TRNC is an ancient republic that was governed by the United Kingdom. The capital of the country is Lefkosia. The focal area of the research work was Famagusta precisely. The TRNC is a self-declared state situated at the heart of Eastern Mediterranean sea. The state is a northern part of Cyprus that is recognized by Turkey and it is recognized as the Turkish Republic of Northern Cyprus by the international community. The Northern Cyprus lodges both presidential and a democratic state with divers' cultural heritage, she maintains various influences and an economy that is highly dominated by the service sector and Tourism sector. The economy under gone greater economic upsurge and boom within 2000 and 2010 ,with the GDP per capita more than doubled in 2000s, but later went down and suffers some set back because of international sanction and the official shut down of the ports in the Northern region. The formal language is English and Turkish language with the presence of so many other languages used by the foreigners (both students and tourists). Islam is most practice religion of the natives, however, leverage were given for Christian religion due to influx and heavy presence of foreigners who are non-Muslims.

## Chapter 4

### RESULT INTERPRETATIONS

#### 4.1 Results

This chapter discusses the statistical result that was derived from the SPSS analysis of the survey. Findings from the survey analysis will be presented with the help of figures, tables, with texts in describing the results.

#### 4.2 Analyses of Demographic Distributive Statistics

Table 1: Descriptive Statistic

<b>Variables</b>	<b>Frequency</b>	<b>Percentages</b>
<b>Gender</b>		
Male	96	43.2
Female	126	56.8
<b>Total</b>	<b>222</b>	<b>100.0</b>
<b>Age</b>		
15-25	93	41.9
26-35	114	51.4
35 Above	15	6.8
<b>Total</b>	<b>222</b>	<b>100.0</b>
<b>Educational</b>		
B.Sc.	97	43.7
M.Sc.	105	47.3
Ph.D.	20	9.0
<b>Total</b>	<b>222</b>	<b>100</b>
<b>Faculty</b>		<
Business & Economics	73	32.9
Engineering	107	48.2
Others	42	18.9
<b>Total</b>	<b>222</b>	<b>100</b>
<b>Mobile Phone Brand</b>		
Apple phone	65	29.3
Samsung	88	39.6
Others	69	31.1
<b>Total</b>	<b>222</b>	<b>100</b>
<b>Appearance on Social media</b>		
Yes	177	79.7

No	45	20.3
<b>Total</b>	<b>193</b>	<b>100</b>
<b>Social Network</b>		
Facebook & Others	126	56.8
Web & TV Advert	56	25.2
None	40	18.0
<b>Total</b>	<b>222</b>	<b>100</b>

From the above demographic descriptive statistics table above, it is observed from the Gender column, Male respondents 43.2% while Female respondents 58%. In the Age Section, the respondents of the categories into, 15-25, 26-35, and 36 above. However, respondents in group 15- 25 has 41.9%, respondents in group 26-35 had 51.4%, while the respondents in group 36Above had 6.8%. The Educational measure of the respondents shows that respondents taking B.Sc. Program were 43.7% while those in Master's Program 47.3% and Ph.D. respondents of 9%. The grouping by Faculty shows respondents under Business & Economics had total 32.9%, while respondent in Engineering had 48.2%, and those in other faculties' amount to 18.9%. Thus, mobile phone section was classified into three groups, Apple iPhone, Samsung and Others respectively. Respondents that uses iPhone were 29.3%, total respondents for Samsung phones were 39.6%, while 31.1% respondents' uses other brands of phones outside the popular phones (iPhone and Samsung).

More so, respondents were asked to ascertain the appearance or presence of their phone brand on the social media, however, 79.7% respondents ticked (YES), while 20.3% selected (NO). The last category, which asked respondents to mention what social media platform does the phone operates; respondents under Facebook & Others has 56.8%, respondents under Website & TV Advert 25.2%, while total respondents with None was 18%.

### 4.3 Factor Analysis

Factor analysis test was conducted to determine the weight of each item in each construct, also to detect and eliminate the similarity or correlation among the items across the constructs. Factor loading and communalities based on principal components analysis with SPSS Statistic for 15 items of SP, BI & CL Scale (N=222). Therefore, The Rotated Component Matrix table for the Factor Analysis is presented below:

Table 2: Factor Analysis

Items	SP	BI	CL
I felt a sense of human sensitivity in the webpage.	.784		
I felt satisfied with the information and advert in the webpage.	.711		
I felt a sense of human contact in the webpage.	.709		
I felt a sense of sociability in the webpage	.696		
I would be willing to recommend this brand to my friends.		.774	
In a forum, I would be willing to say positive things about this brand to other people.		.761	
I would be willing to talk positively about this brand to my friends.		.693	
The likelihood that I would make purchases of this brand is very high.		.678	
I intend to keep buying the services of this brand via social media		.570	
If I had it to do all over again, I'd buy services from this webpage.		.770	
I use services from the agency's webpage because it is the best choice for me.		.648	
When I see a new brand, somewhat different from those of mine, I will not try it.		.646	
I consider myself to be a loyal patron of the phone brand.		.605	
I say positive things about my brand on the social media to other people.		.552	
I deal with the brand because I want to, not because I have to.		.494	

The above Rotated Component Matrix table shows all the items loaded perfectly under its respective construct, thus, item CL 6, cross loaded under BI, with a default value of 0.494. Therefore, the researcher do not discard this item, on the basis that it

doesn't violate the assumption for elimination, which in most field, it should be removed if less than 0.4. (Nunnally, 1978, & Drost, E. A. 2011).

#### 4.4 Reliability Test

Reliability test (Cronbach's alpha) is conducted to reduce error variance and measure internal consistency of the scale. It is commonly used when there is multiple Likert questions in a survey/questionnaire that form a scale and to ascertain the stability and consistency of the measurement in finding similar result, over different conditions, observation and time. The reliability coefficient estimate ranges from *0* to *1*, while a scale reliability acceptable threshold is *0.70*, and higher coefficients connotes greater reliability, (Nunnally, 1978, & Drost, E. A. 2011).

Table 3: Reliability Analysis

<b>Components Items</b>	<b>Cronbach's Alpha</b>	<b>No. of</b>
<b>Social Presence</b>	0.751	4
<b>Behavioral Intention</b>	0.797	5
<b>Customer Loyalty</b>	0.758	6
<b>Overall</b>	<b>0.780</b>	<b>15</b>

The test table above reveals different Cronbach's Alpha coefficient computed for each construct using SPSS Statistics. Cronbach's Alpha result for each component are: SP = 0.751, BI = 0.796 & CL = 0.758 respectively, and the overall coefficient is 0.845. Thus, the scale of measure is contextually and statistically reliable.

## 4.5 Correlation

Correlation analysis is undertaken to define the strength and direction of a linear relationship between the variables. Pearson correlation matrix was conducted among all of the research variables.

Table 4: Pearson Correlation

Scale	1	2	3
1. Social Presence	–	.379 **	
2. Behavioral Intention		–	.405**
3. Customers' Loyalty	.392**	-	–

Note. \*  $p < 0.05$ , \*\*  $p < 0.01$

## 4.6 Regression Analysis

Regression analysis which often times follows correlation test, is conducted when a researcher want to estimate the variation in a variable, which is due to the variation in another variable. Therefore, the regression analysis test is conducted to for this study to determine the variation effect in the Dependent Variable (Customer Loyalty) caused by changes in the model, i.e. the Independent Variables (Social Media and Behavioral Intention). Thus, the analysis will be conducted in correspondence with the hypothesis.

Below are the Model Summary, ANOVA and Coefficient tables

Table 5: Linear Regression

DV	IV	$R^2$	$F(df)$	$p$	$\beta$	$t$	$p$
Regression 1:							
CL	SP	.154	(1,220)39.96	<.001	.392	6.32	<.001
Regression 2:							
CL	BI	.249	(1,220)72.83	<.001	.499	8.53	<.001
Regression 3:							
BI	SP	.202	(1,220)55.64	<.001	.449	7.46	<.001

From table 5 above, the regression with Social Presence predicting Customer Loyalty was conducted first, the Summary Model shows the predictive power of social presence on customer loyalty. Thus, the  $R^2$  is .154, i.e., 15.4% variation in customer loyalty is caused by social presence. The regression were statistically significant,  $F(1,220) = 39.96, P < 0.001$ . While the Coefficient table present the Beta, t-value & P-value which explain the direction, and sign of Independent Variable effect on the Dependent Variable.  $\beta = .392, t = 6.322, P < 0.001$ . The result shows that Social Presence positively affect customer loyalty.

The regression with BI impacting CL was conducted next.  $R^2 = .249$ , i.e., 24.9% variation in customer loyalty is caused by social presence. The results of the regression were statistically significant,  $F(1,220)=72.837$ ,  $P < 0.001$ .  $\beta = .499$ ,  $t = 8.534$ ,  $P < 0.001$ . This connotes that BI positively affect CL.

Lastly, the regression with SP influencing BI was conducted, the result shows  $R^2 = .202$ , i.e., 20.2% changes in BI is caused by SP. The results were statistically significant at,  $F(1,220) = 25.11$ ,  $P < 0.001$ , and  $\beta = .499$ ,  $t = 7.460$ ,  $P < 0.001$ . The result shows that Social Presence has a positive affect Behavioral Intention.

Thus, the SPSS Statistical analyses of this research work shows,  $R^2$  of 15.4%, 24.9%, and 20.2% respectively. The ANOVA and Coefficients results that follow show a very good outcome with positive slopes, intercepts, significant variables plus error term, that is mathematically represented as  $Y = + \beta x + e$ , i.e.,  $CL = \beta SP + \beta BI + Er$ .

The ANOVA tables shows that the regression is highly statistically significant with each P-value  $< 0.001$  respectively. However, the Coefficient displays the significant level of each variable. The coefficient shows that variables are significant at various levels with positive slopes.

Better interpretations are made with Correlation of the Hypothesis with the results

Table 6: Hypothesis Testing Results

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H1: Social media involvement will positively impact customers loyal ACCEPTED

H2: Behavioral intention will positively impact customers' loyalty ACCEPTED

H3: Social Media will positively affect Behavioral Intention ACCEPTED

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**H1:** Social Presence will positively enhance Customer Loyalty.

This statement is confirmed to be statistically significant with the slope (standardized coefficients) on the coefficient table which  $\beta = .39.2$  and  $P < 0.001$ . Thus, explaining that, Social Presence will positively influence 39.2% in Customer Loyalty.

**H2:** Behavioral Intention will have positive impact on Customer Loyalty.

The slope (the standardized coefficients) on the coefficient table is positives at 0.499 and  $P < 0.001$ , this shows there's positive statistically significant relationship among the variables, which supports the claims of the hypothesis. However, if Behavioral Intention goes up by 1 unit, Customer Loyalty will go up 44.9%.

**H3:** Social Presence will positively affect Behavioral Intention.

The result also depicts that Social Presence have direct effect in explaining Behavioral Intention. The hypothesis is supported with evidence,  $F(1,220) = 25.11$ ,  $P < 0.001$ , and  $\beta = .499$ ,  $t = 7.460$ ,  $P < 0.001$ . Therefore, it is correct to say Social

Presence positively affect Behavioral Intention. Thus, the result of the finding is in congruence with the hypothesis.

## **Chapter 5**

### **SUMMARY AND RECOMMENDATION**

#### **5.1 Findings and Summary**

This study is coined towards finding statistical and experimental solution to the following research hypothesis: H1. Social media involvement has a positive impact on the customer's loyal.

H2. Behavioral intention has a positive effect on the customers' loyalty.

H3. Social Media will positively affect Behavioral Intention.

The results of the findings indicated that all the three hypothesis were supported.

Social presence of mobile phone industries on social media enhance customer loyalty related behaviors. Also, findings shows behavioral intention are relevant determinants of customer loyalty. Thus, further analysis point out that social presence has a proportional significant effect on behavior intention towards a loyalty.

The result of this research findings corroborates and in congruence with study of Mantymaki (2009), trust and social presence was significantly relevant in explaining loyalty-related behavior.

## **5.2 Managerial Implication**

From the managerial view, this research gives progressive information about social media. This implies that social media is fundamental to customer loyalty, and the success of an organization. The study affirms that social media participation plays a vital role in creating awareness about products and service offers by a company, also it's an essential point for success, sustenance, and majorly for developing customer's loyalty.

However, using social media platforms to produce feeling of human warmth, friendliness and information tends to be more important and upsurge behavioral intention to buy or re-buy products or services in the real world setting. Hence, customers usually perceive the social media, or SVW as an atmosphere that wires friendliness and peacefully seeking to help customers answer frequently asked questions and proffer solution, than just an opportunistic means of extortion (Chesney, Coyne, Logan, & Madden 2009)

## **5.3 Recommendation**

It is a general believe in Business field that its cost prohibitive to gain new customers than to keep old ones (Reichheld & Schefter, 2000). Therefore, to retain customers, and claim a larger share of their earning, and making them a loyal customer to certain products or services of an organization, the following recommendations are offered.

### **Utilize Social Media Benefits**

The study, in Table 2.5, found in chapter 4, provides an empirical result that social media presence and behavioral intention are two essential points that enhance customers' loyalty. Since social media, according to Constantinides, Romero, C.L. &

Gomez Boria, M.A. (2008), is pivotal to developing lasting relationships with customers, thus, it is an important medium for organization in the process to get customers attention, trust and quick feedback regards the product or service. It center on manufacturing and distributing offering to customers (Laroche, Habibi & Richard, 2013), this is important in terms of gaining consumers for brands recommendation to friends. This study approves the investigation, which discovered that the larger number of respondents confirmed that mobile phone industries using social media in interaction with customers will assume faster a competitive & comparative advantage over others who doesn't embrace the use of social media.

However, consumers are no more inertia receivers, creating difficulties for companies to exert influence over customers' perception and spoken words about them (Vollmer & Precourt, 2008; Kaplan & Haenlein, 2010; Baird & Parasnis, 2011). It was therefore posited that the shift in control over the time concerning who determine how information about the company go viral to the public through internet, shows that customers are now regulator of information through communicating their experience, WOM, recommendation, and show off, also, they actively develop, transfer and spread information on social media about a product and company. (Laroche, Habibi & Richard, 2013). Customers provide feedback of their satisfactory experience, including other directive information, which encourage new users, and enhances loyalty behavior.

### **Go after your customer**

Virtually, larger percentage of customers uses social media, with Facebook, Instagram, twitter being the most popular and have larger subscribers, being at the forefront registering account for businesses on social media platforms is among the

best business strategy to start up and get lot of followers and customers for a product or company at the start. Customer will have good perception and form positive opinion towards a product after seeing it on social media, with an inspiring clear picture, information, adverts, as well as giving an insightful scene of the product.

### **Involve Your Customers**

For any business to survive need be for involvement of customers. Constantinides. et al. (2008). They recommended that an organization should be sensitive and ensure increase in product demand. Also, they should maximize information and exploit feedback expressions by their customers and pursue to develop a worthwhile relationship amidst a company and customers. By that, companies can focus on planning and manufacturing offering that the customers desires, while both sides will be satisfied.

The necessity for a lasting rewarding relationship and collaboration with customers and the company or brand, leads to an expression of customers' experience, which further helps improve the brand offering and value of the company.

### **Understand and Listen to Your Customer**

For an organization to achieve customer loyalty, it is important they grasp what prompts buyers in using social media to find out exact product they need and also what could make customers decline interaction with the company (Baird & Parasnis, 2011).

A discussion with mobile phone customers, in light to know why customers choose to keep eye on brand, or company on social media, their responses indicated that an

interest in the brand or company, also on getting information regards brands, and stress reduction are the two major explanations to why customers choose to keep an eye on brand on social media. Thus, their response is congruent with customers' responses when they were asked the same question.

### **Encourage and Respond To Feedback**

Developing long period connections among a firm and a customer tends to support each sides, help to builds trust amid both parties, which will encourage positive feeling. Moreover, Grönroos (2000), observed that building lasting relationship will lead to dedication and customers' loyalty. Hence, in respect to this, it becomes imperative factor for companies to invest a period of time and exertion to develop connections with existing customer and make them feel knitted to the brand. Investigation proves that, this can be done in different ways and the likelihood for a consumer to give response according to (Mangold & Faulds, 2009). Grönroos (2000), involve the use of social media of the organization, membership recognition and confidential and benevolent treatment of such response, more scholars has also stress the significance of giving response in constructing long period associations. It is vital to be open-minded and accept customers' response regards their feeling and experience about the brand, and in the case of undesirable response, the company also needs to quickly attend to it with corrective measure (Grönroos, 2000). Thatcher and George (2004) ascertain that customers' who tends to lodge protests, will likely

exhibit loyalty behavior, while others that doesn't, are not devoted. Moreover, loyal customers tender their objections with the aim to expand and improve the company.

#### **5.4 Limitations and Future Research**

As it's peculiar with most literature, there are certain limitations with this work. Subsequently, future study could be geared to further examine this research topic.

However, this part explain the limitations of the study, and as well suggests some guidelines that could better help the finding of future research in line with social media and customer loyalty.

Firstly, the empirical data was collected in one location, the respondent were EMU students while majority of them are undergraduates.

Secondly, the sample size for this study cannot be suitable to generalize this research finding to an entire population.

Thirdly, this research study established that social media is a major element that predict the dependent variable. Though, its predictive power is very low in this study, thus, it can likely due to an error or respondents bias in filling out the questionnaires. Therefore, future research observing the effect of social presence on customer loyalty is highly recommended.

Finally, to derive higher predictive power and to provide a more comprehensive explanation for determinants of customer loyalty, social presence, behavioral

intention, in addition of other variables which is not examined in this work, could be employed to complement the model, towards an accurate result.

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## **APPENDICES**

## Appendix A: Questionnaire used for data collection

### PART I

**Instruction:** Please tick ( ) as appropriate as concerns you:

1. **Gender:** Male ( )                      Female ( )
2. **Age:** .....
3. **Educational level:** BSc ( ), MSc ( ) or PhD ( )
4. **Faculty:** ..... **Department:** ..... **Program Enrolled:** .....

### PART II

- What is the brand of your mobile phone? .....
- Does your mobile phone appears on any social media platform?
- Please mention the social networks/ media

Statements are provided in the following table. Please choose the best answer (How much you agree?) for you about each statement. Consider the brand of your mobile phone, while answering the following questions.

**Degree of Frequency:**

**1= Strongly Disagree    2= Disagree    3=Neutral    4= Agree    5=Strongly Agree**

Social Presence of your mobile phone company on social Networks/media		1	2	3	4	5
SM1	I felt a sense of human contact in the webpage.					
SM2	I felt satisfied with the information and advert in the webpage.					
SM3	I felt a sense of friendliness in the webpage.					
SM4	I felt a sense of human feeling in the webpage.					
Behavioral Intentions of the users of your mobile phone on social Networks/media		1	2	3	4	5
IB1	I would be willing to talk positively about this brand to my friends.					
IB2	I would be willing to recommend this brand to my					

	friends.					
IB3	When visiting forums, I would be willing to say positive things about this brand to other people.					
IB4	The likelihood that I would make purchases of this brand is very high.					
IB5	I intend to keep buying the services of this brand via social network.					
<b>Customer's loyalty of your mobile phone on social Networks/media</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
CL1	I use services from the agency's webpage because it is the best choice for me.					
CL2	If I had it to do all over again, I'd buy services from this webpage.					
CL3	When I see a new brand, somewhat different from those of mine, I will not try it.					
CL4	I say positive things about my brand on the social media to other people.					
CL5	I deal with the brand because I want to, not because I have to.					
CL6	I consider myself to be a loyal patron of the phone brand.					

**PART II**

Please comment briefly on the following issues:

1. According to your point of view, do you think the use of social networks/media will enhance customers' loyalty of the brand?

.....  
.....  
.....

## Appendix B: Image of Mobile Phones mentioned in this study

