



# Customer loyalty through social networks: Lessons from Zara on Facebook



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**Abstract** Companies' escalating investment in social media—in particular, in Facebook—has become reality. However, most firms still do not see social networks as a vehicle for cultivating and winning customer loyalty, but rather as a resource for creating brand awareness. In this article, we offer a different view. By examining fans and non-fans of the Zara brand on Facebook, we discovered that Facebook enhances the relations that increase loyalty via trust, customer satisfaction, perceived value, and commitment. Our results revealed that these relations are stronger for fans of the brand than for non-fans, and suggest that customer satisfaction is the strongest determinant of loyalty. This indicates a new opportunity for marketing managers to achieve customer loyalty: Facebook.

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## 1. From awareness to loyalty on Facebook

With almost a billion customers on Facebook, why is your brand not there? Facebook is one of the largest social networks accessible to all brands, from the largest to the smallest all over the world. The prevailing notion suggests that Facebook, as a medium, is mainly oriented toward the achievement of brand awareness. This view is too narrow: Facebook may also act as a vehicle for achieving customer loyalty. Via dynamic interaction with its fans on

Facebook, the brand can improve customer satisfaction and strengthen client relations—both major drivers of loyalty. Settling solely for increased awareness, the brand misses a golden opportunity to further engage fans and develop customer<sup>1</sup> loyalty. The new greatest challenge lies in achieving customer loyalty through social media, particularly Facebook.

What does your brand have to do to achieve loyalty? A case study of Zara provides insight and suggests tools to attain this goal. Herein, we present a concise review of Web 2.0, social media, and

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<sup>1</sup> The terms customer and consumer refer to the people who buy or use the product or service and are used interchangeably in the text.

Facebook. The review is followed by a brief sketch of customer loyalty and its main drivers. Distinguishing between fans and non-fans, we propose to help marketing managers recognize the extent to which a brand's presence on Facebook can contribute to customer loyalty. We also indicate what loyalty determinants are more relevant to the brand's fans. In sum, we identify valuable Facebook communication factors managers may use to develop strategies and good practices toward achieving customer loyalty.

## 2. Are you on the web?

Most all brands today participate in Web 2.0 through a website, a blog, a Facebook page, Twitter, LinkedIn, or some other online space. Web 2.0 represents a powerful medium because customers are—or, at least, can be—there: 70.2% of the population in developed countries uses the Internet, representing 32.5% of the world's population. The Internet has the highest penetration rate in North America (78.6%), Oceania (Australia and proximate islands, 67.6%), and Europe (63.2%), but Asia has the highest total number of users: over a billion. Internet use is balanced between men and women ([Internet World Stats, 2012](#)).

But simply having a presence is not sufficient. Companies need to know how to use Web 2.0 and social media because these vehicles give consumers more power and influence over the brand. Brand-to-consumer and consumer-to-consumer interactions can occur anytime and anywhere, so developing the right strategy for each moment—for each contingent—is essential. Marketing managers must know their audience and identify the benefits of social media to their brands. This knowledge is particularly important when considering one of the world's largest social networks: Facebook.

## 3. Web 2.0 and social media: The customer's power

Until recently, customers could only communicate with brands by sending a letter, making a phone call, or going to the store. Today, however, customers can establish contact more quickly via new forms of interactivity facilitated by Web 2.0. Web 2.0 has changed the communication model from one-to-many, whereby only the company played an active role, to many-to-many, whereby the collaboration and participation of consumers becomes imperative ([Kotler, Kartajaya, & Setiwan, 2010](#)). This new model of interactivity is closely linked to the concept of

Web 2.0: a set of open source applications that allows for the expansion of experiences, knowledge, and the power of users in an interactive way that the users control ([Constantinides & Fountain, 2008](#)). This shared knowledge can thus be understood as collective intelligence. Web 2.0 facilitates several applications:

- *Blogs*—online journals that can combine content with audio and video;
- *Social networks*—applications that allow users to create personal pages accessible to others for the exchange of information;
- *Communities*—sites that organize and share particular content;
- *Forums*—sites to exchange ideas and information; and
- *Content aggregators*—applications that allow customization by users.

We examined one aspect of Web 2.0: social media. The concepts of Web 2.0 and social media are sometimes confused. Web 2.0 supplies the technological components, such as applications and online tools, that enable social media; social media provides the social aspects of Web 2.0—such as participation, conversation, and connectivity to the community—that allow users to create and share their content ([Constantinides & Fountain, 2008](#)). In this regard, the prosumer (producer/consumer) concept dating from the 1980s is now even more pertinent. Users become producers of brand content, while companies strengthen their relationships with customers ([Constantinides & Fountain, 2008](#); [Crittenden, Hanna, & Rohm, 2011](#)). Such brand proximity and relationship improvement can enhance customer satisfaction and loyalty.

Social media is a space in which customers can express themselves freely, always be up-to-date, find out what people or brands of interest are doing, and escape their routine ([Dong-Hun, 2010](#)). Here, customers can help build a brand; share information about it; exchange opinions among peers; and speak with the brand via compliments, complaints, and questions ([Patterson, 2012](#); [Pehlivan & Weinberg, 2011](#)). Web 2.0 platforms also commonly challenge users to contribute to brand building by proposing new slogans, suggesting fresh logos, and sending pictures that fit the brand image. Everything counts; it is important to the brand to capture customers' attention and use the viral power of Web 2.0.

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