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**THE INFLUENCE OF SOCIAL MEDIA
ON BUILDING CUSTOMER LOYALTY**

The science article follows the purpose to investigate how social media networking sites can impact on building customer loyalty for a proper company. There were indicated several foreign research works to analyze main approaches of providing products and services through the Internet. The study was conducted using qualitative and quantitative research methods, in general characterized as mixed method design. The quantitative method included a survey for the followers of the young home brand Tungguiq. The social poll suggested questions regarding to the dynamic of purchase habits through following the social media page of company. Also respondents met questions about the role of social media platform in forming customer loyalty, trust and respect to the product. The article contains an indepth interview with the founder of young home brand Tungguiq. The results have showed that effectively organized social media campaign can reflect more consumers and build a loyalty audience. It was noticed people with large number of followers can attract own group, who found him trustworthy and make best recommendations.

Key words: social network, business, customer loyalty, online marketing, internet.

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Әлеуметтік медианың тұтынушының сенімін қалыптастырудағы әсері

Әлеуметтік медианың тұтынушының сенімін қалыптастыруға әсері. Белгілі бір тауар не қызмет түрін ұсынатын кәсіпкерлік субъектісі үшін мақсатты аудиторияның оң пікірі мен сенімі аса маңызды. Өйткені тұтынушылардың талғамына сай келетін өнім ұсыну бір реттік сатылымдарға қарағанда, ұзақ мерзімді адал қолданушылардың легін қалыптастырады. Маркетингте тұтынушы назарын аудару мен оның сол тауарды үнемі таңдауын қалыптастырудың әдістері көп. Ақпарат заманында үлесі артқан әлеуметтік желілердің онлайн сауданың негізгі алаңына айналып, қолданушылармен кері байланыс орнатудың ұтымды жолына айналғаны белгілі. Мақалада әлеуметтік медианың тұтынушылар сеніміне ие болуға қалай әсер ететіні зерттеліп, осы тақырып төңірегіндегі әдебиеттер мен деректер беріледі. Тақырыптың негізгі мақсаты – сауда белгісі үшін тұрақты тұтынушылар тобын қалыптастыруға әлеуметтік медианың әсерін зерттеу. Осы бағытта отандық жастарға арналған тауардың шығарылымымен айналысатын кәсіпкермен сұхбат жүргізіліп, әлеуметтік желідегі қолданушылар арасында шағын сауалнама ұйымдастырылды. Осыған дейін бұл тақырыпқа қатысты жүргізілген зерттеу нәтижелері талданды. Қол жеткізілген деректер әлеуметтік медиа арқылы тауардың танылымын арттырып, оны тұрақты пайдаланатын, сенетін аудитория құруға болатынын дәлелдеді.

Түйін сөздер: әлеуметтік желі, кәсіпкерлік, тұтынушы сенімі, онлайн маркетинг, интернет.

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Роль социальных медиа в формировании доверия потребителя

Данная статья посвящена теме формирования доверия потребителей через социальные сети, актуальной в связи с возрастающим влиянием новых медиа на отношения компании с населением.

Цель научной статьи – выяснить влияние социальных медиа на создание доверительных отношений между торговой маркой и покупателями. В данной статье объясняется важность формирования лояльной аудитории и заслуженного доверия потребителя, учитываются прежние исследовательские материалы.

В исследовательской работе были использованы количественные и качественные методы. В целях сбора информации о важности социальных медиа для продвижения товара или услуг было проведено глубинное индивидуальное интервью с основателем отечественного молодежного бренда «Tungguiq». Также был проведен опрос с клиентами бизнес-субъекта, подписанными на страницу бренда в Instagram. Данный вид социальной сети был выбран по причине ее лидерства среди остальных по количеству рекламы на территориях Казахстана. Проведенные исследования доказали, что рекомендация истинного пользователя товара, оставшегося довольным качеством, привлекает больше потребителей на долгосрочную перспективу. Выяснилось, что социальные медиа являются хорошим ресурсом для бизнес-субъектов и могут внести огромный вклад в удерживание потока постоянных клиентов.

Ключевые слова: социальные сети, бизнес, доверие потребителя, онлайн-маркетинг, интернет.

Introduction

Nowadays being closer to customers is a new priority of business representatives. The dramatic increase of the Internet over the past thirty years has influenced worldwide explosion of electronic commerce as well as interactive digital media. There is an extension of online purchasing year to year which is seen from the growth of retailers at a rapid speed. Euromonitor's research results showed that European online retail market is expected to rise by ten percent in the upcoming years. Goldman Sachs also holded a research with indication 11-16 percent of the total global retail sales will be through the online channel by 2020, compared to 4 percent today. The popularity of e-commerce on the market caused a big competition between companies. As a result of that, companies are focusing on engaging with their customers and getting closer to them.

Now that we live in the digital age, it is only important to take benefit of new platforms to expand operations and boost business growth. And while it's true that websites and social media are all effective as a platform for promoting products and services online, it is also important to use these channels to strengthen one of the most important aspects of the business: customer loyalty. Nowadays, customer relationship with brands they used to follow is slowly fading to white. In fact, the 2016 report from ICLP revealed that a whopping majority of Australian consumers – 97% would cheat on their

favorite retailers, which means that consumers are less committed to brands they have ever been, with only three percent feeling devoted toward their preferred retailers.

At the same time as social media provides companies with great possibilities in terms of for example customer loyalty, it also puts them under a lot of pressure to engage where customers are paying attention. Facebook has 1 billion active users around the world every month. Twitter reported that 200 million active users send 400 million messages every day. Considering the speed how social media has been adapted by businesses and customers, it is easy to make conclusion that this platform connects sellers and buyers. Companies started to realize that having loyal customers can be used as a competitive benefit in today's enormous landscape of online retailers. According to Reicheld and Schefter, there are both economic and competitive factors that indicate that the value of loyalty is even greater on the web than in the physical world. The problem, is that developing and maintaining customer loyalty on e-markets is a complex and challenging process. Some of the main reasons are that it is difficult to develop trust since the companies do not have any direct contact with their customers and it is also easy for customers to turn to another company since competition is just one click away. However, social media networking sites are useful for interacting with target audience without any other resources, sharing best content and ideas, promote products

online, do analyze and see statistic data directly from your office.

Methods:

The research for this study have been done through the combination of quantitative and qualitative research methods, which is called a mixed method design. The opportunity to use both of the methods allows to receive clear results and make right conclusions. The motive is to use the strengths of one method in order to fill in the weaknesses of another method. Data for the research was collected from multiple sources. The first used method is indepth interview with young home brand Tungguiq. The interview was with the founder of the project Ayan Qalmurat and lasted for an hour. This talk was hold in order to gather information related with current devolepment of the brand and desired future, in terms of customer loyalty, social media usage.

The second method is survey with the brand customers. A customer survey was hold with the intent to get an understanding of Tungguiqcustomers' opinion regarding brands and social media. It aso sought to capture their experiences of how well, or bad, brands use social media to connect withcustomers as well as their opinion concerning Tungguiq's social media usage.

Data was collected through the administration of a structured questionnaire with a sample of 200 social media users, followed brand in Instagram. We had a filter questions to make sure that respondents use social media often. The questionnaire consisted of 10 questions. Respondents were between 16-29. 62% of them are female and the rest 38% is male.

Literature:

The value of customer loyalty for online businesses has beenwidelyreviewed in traditional marketing literature for many years. Customer loyalty is a tendency to favor one brand over all others, what can bee seen from the satisfaction of consumers with the product or service, its convenience or performance, or simply familiarity and comfort with the brand. Customer loyalty encourages consumers to shop more persistently, spend a lot of money, and feel satisfied with a shopping experience, helping attract consumers to acquainted brands in front of the competitive relationships. Customer loyalty is positively related to customer satisfaction as happy customers normally favor the brands that meet their needs. Loyal customers are purchasing a firm's products or services exclusively, and they are not willing to switch their preferences over a competitive firm. Brand loyalty stems out of a firm's consistent effort to deliver the same product, every time, at

the same rate of success. Organizations give special attention to customer service, seeking to retain their existing current base by increasing customer loyalty. Schaffer says "Representing a brand, your challenge is to engage with others in a medium that was originally created for people to keep in touch with one another" (Schaffer, 2011). Coles considers "By talking and listening to your customers and prospects, you will get a feel for what it is they really want from your product and service" (Coles, 2017). According to Griffin, "Technology breakthroughs, particularly in the area of knowledge management, offer new and innovative ways to nurture customer relationships" (Griffin, 2002). Rohrs indicates, "unfortunately, not all business appreciate this dynamic. They operate under the false assumption that paid media still rules the roost and provides all of the audiences needed to fuel their business" (Rohrs, 2014) Weinberg says "Given a compelling marketing strategy and creative demonstration, social media marketing can lead people to purchase desired product ad service"(Weinberg, 2009).

According to Greenberg social costumers "expect to be available to them on demand and at the same time have the tools and the desire to share and socialize that information with their trusted peers – whether they actually know them or not. Social consumers require transparency and authenticity from their peers and the companies they choose to deal with" (Greenberg(a), 2010). Khan and Khan states that the social media platform consists of "your customers, your friends, your family, your workers, your constituents, your shareholders, and like it or not, you" (Khan, 2012). In Greenberg's opinion, social consumers feel nessecitated to divide information with companions, "they might never have met, but who are 'someone like them'" (Greenberg(b), 2010). The following material offers a conclusion that well understanding of social media and consumer relationships with it, allows companies to successfully realize a customer service. According to Handley "people expect brand to respond to both complaints and positive feedback posted online (Handley, 2012). Bayer says "There are only two ways for companies to break through in an environment that is unprecedented in its competetiveness and cacophony. They can be "amazing" or they can be useful " (Bayer, 2013). Robert Wollan, managing director of Accenture's CRM practice thinks "companies that aren't at least monitoring social media, let alone participating, have a real blind spot as to what is really driving consumer purchase decision (Henschen, 2012). Gene Alvares, research VP at Gartner says "

customers want new and easy ways to interact with companies, in a new business dynamic, including through social media (Huber, 2011). According to Sousa “traditional market segmentation does not provide enough intelligence on the links between people and what they are likely to buy. The process of selling to customers by isolating them from their social groups ignores that people want the buying process to be a social process” (Sousa, 2012). Scott writes in his book “Purchasing decisions have always been influenced by friends’ opinions, but the social web offers much greater opportunity for retailers to tap into this. Product and service reviews in the social media space are of growing importance because audiences have the ability to engage and use these reviews as a key aspect to their purchasing decisions” (Scott, 2007).

Results and Discussion:

There are several results from the given research. The interview with the founder of young brand Tungguiq showed us that “word of mouth” works effectively in our society. It may be due to mistrust of people to advertisement. The founder said us from his own experience that the first satisfied customers attracted others. However “word of mouth” functions through social media. People do posts with the photograph of product, saying “Thank you” for company. They also indicates the quality, saved time, best management or customer service. They leave hashtags and tags the official account of the company, with its help every Internet user can follow the product page. This technology brought to brand additional three thousand followers and more than two thousand new orders. The second observation is that previously mentioned brand doesn’t spend money on advertising. The social media accounts (Facebook, VK and Instagram) are the main sources of communication with potential consumers. However their experience is proved that social media help to promote business without investment of money. Michael Cohn in his article “The impact of social media on advertising” explains that business owners have figured out the positive effect of social media on their business, because of success takes a more little money than in other tools. One of the best way to show that you value your audience is to interact with them in social media based on their latest interests. This is called “social listening”. The brand’s founder, with whom we had an interview, showed how they manage the commerce page. Except the sale information and advertisement they also publish useful articles, lifehack tips, important messages and visual materials. The admins of the account usually organize games, competitions and

other activities to better learn audience. And this is where social listening comes in. It’s much easier for customers to feel loyal when they feel they are cared about in return. Simply acknowledging their presence and inviting them to be part of a two-sided conversation builds engagement. Posing questions to your followers allows them to share their lives with you and feel involved and helpful by providing feedback to your company. By interacting with your followers, you elevate their status from silent receivers of your information to important partners in a relationship, building connection and loyalty. Social listening allows you to find out where your customers spend their time on social media, which of your products and services they talk about, their compliments and complaints that you should encourage and address, and which of your content they relate the most and share on their own network. Customer service has a tremendous impact on brand loyalty. If your customers feel you actually care about them and value their feedback, they will stick around. A big component of this is responding quickly to your customers. A study from NM Incite shows that 71% of customers will likely recommend your brand to others if you have implemented an effective social care program. And a study from Edison Research found 42% of people expect a response in under an hour, with 20% expecting a response in under 15 minutes. Nowadays people expect immediate answers and social media is by far the best avenue for providing those immediate answers, and gives you the perfect opportunity to turn customers into raving fans by blowing their socks off with your awesome customer service skills. Raving fans not only turn into brand loyalists, but they will bring new customers to your business by singing your praise when talking to friends and family. The conducted survey gave a conclusion that people spend most of their time in social media platforms. 85 % of respondents devotes 6-8 hours a day to social media networking sites. Another 15 % consumes less time, about 3-4 hours. Most of them are influenced by the quality of the product page. 76 % of them said, that well designed account with visual effects (qualitative photographs and videos, animations) and good written text, where is no plays for annoying intrusive advertisement are attractive. 24 % thinks to see the product first and only after consuming make decisions. 82 % of users believes to trustworthy people’s recommendation about proper product of service in the social media. 71 % of respondents answered that they are ready to follow brand page if they feel well-oriented care and feedback through posts, comments and direct messages.

Conclusion

The results of conducted research shows that effectively organized social media campaigns are the most important part of forming brand loyalty caused by content relevancy, popularity of the content among friends, and appearing on different social media platforms and providing applications. First of all, companies that want to run effective social media campaigns should take into consideration advantages they suggest to the consumers in their campaigns, in order to push consumers to become loyal to their brands.

The second most essential factor is relevancy. To attempt this category, companies have to keep themselves updated about interests, activities and current situation in life of customers. Companies may conduct qualitative research or observations to understand the lifestyle of their customers with intentions to transfer gathered information on social media platforms. Finally, the popularity of

the content among friends also increases brand loyalty of the consumers. Impact of word-of-mouth in marketing is also plays key role, especially in online platforms. Therefore, companies can provide incentives to the social media users to spread the word about their presence, campaigns, and content on social media among the peers. In Kazakhstan, most companies involve opinion leaders in their targeting projects and pay them on purpose to talk about their campaigns and pull people to engage with their brands on social media. Researchers can hold further research to dig more into the effects of different types of social media marketing campaigns on brand awareness, image, and loyalty as well as the impact of word-of-mouth on social media marketing effectiveness. In addition, social media is a very dynamic and progressive platform. Therefore, the effectiveness of every new development on social media must be researched and measured to find out and apply ultimate marketing strategies.

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