The Effects of Social Media on Brand-Customer Relationships

Center for Marketing Studies
Darla Moore School of Business
University of South Carolina

Professors Simon Hudson, Martin S. Roth and Thomas J. Madden

August 2012
Executive Summary

This research explores how social media affects brand-customer relationships, and whether social media-based relationships lead to desired outcomes such as customer satisfaction, recommendations, and loyalty. We conducted a three-country study and compared how consumers who engage with brands using social media, versus ones who do not, think and feel about those brands, and consequently how those interactions affect desired marketing outcomes. We find that consumers in France, the UK and the USA who engage in brand-related social media have greater emotional attachment with the brands, are more likely to humanize the brands (known as anthropomorphism), have higher quality brand relationships, and are more satisfied with, willing to recommend, loyal to the brands. Our study provides compelling, cross-national support on the benefits of social media interaction on brand-customer relationships.

Introduction

Consumers are increasingly spending more time on the internet. At work, home, and when mobile they have continual opportunity to connect with people, organizations, and with brands. Social media platforms are emerging as a dominant digital communication channel via which consumers learn about, share information on, and interact with brands they consider, purchase, and evaluate. Those companies that do engage with consumers on a consistent basis using social media are finding that such engagement can be used to reinforce brand strength and durability, and evidence is beginning to emerge that companies can achieve positive returns on their social media investments\(^1\). However, such evidence is scarce, and more research is needed to guide marketers in a digital world. Most of the research about social media deals with small behavioral questions about online behavior and, even then, the work is often quickly outdated. Research on a deeper level, exploring consumer responses to social media is needed.

As we discussed in a previous discussion paper\(^2\), understanding the emotional responses of consumers to social media will provide much needed insights that will enhance customer communications management in the months and years ahead. While the availability of social media is now widespread and companies in many consumer-facing industries are integrating social media into the customer communication strategies, little is known on how social media affects brand-customer relationships, and whether social media-based relationships lead to desired outcomes such as customer satisfaction, recommendations, and loyalty.

The purpose of this discussion paper is to examine how social media interactions with brands affect how consumers think and feel about those brands, and consequently how those interactions affect desired marketing outcomes. More specifically, we seek to answer the following questions about brand-customer relationships:

1. To what extent does social media interaction affect consumers’ emotional attachment with brands?
2. Does social media interaction and/or emotional attachment lead to humanizing brands (known as anthropomorphism) and to higher brand relationship quality?
3. Does greater anthropomorphism, fostered by social media interaction, strengthen brand relationship quality?
4. And do stronger brand relationships, cultivated through social media interaction, enhance brand marketing outcomes such as satisfaction, willingness to recommend, and brand loyalty?

Key Findings

Our study provides compelling, cross-national support on the benefits of social media interaction on brand-customer relationships. In France, the UK and USA, when consumers engage in social media interactions with brands – via company-managed or non-commercial social platforms – they tend to have higher emotional attachment to brands, associate them with more humanlike characteristics, establish higher quality brand relationships, and are more likely to be satisfied with, loyalty to, and more likely to recommend the brands.

As managers continue to navigate and explore the dynamic social media landscape, our research suggests the following key insights.

Seek to engage. A key difference between web-based marketing and social media is the focus on interaction and two-way communications. The more managers are able to encourage, facilitate, and motivate customers to actively engage with their brands on social media as opposed to being passive receptors of information, the more effective their efforts will be in building quality brand-customer relationships.

Make it emotional. Using social media to primarily share functional product or service information such as attributes and benefits is to underutilize these platforms. Rather, social media should be integrated into the marketing communication plan to complement functional information by providing avenues for emotional attachment. Emotions are far more often triggered through interactions with people and objects than in isolation of them. Managers can leverage the interactive capabilities of social media to get customers emotionally connected with their brands.

Humanize your brand. The more consumers associate a brand with humanlike characteristics, the more they bond with the brand and become attached to it. In the 1970s, an Emmy Award winning television show in the USA was called “Kids Are People Too.” The new social media mantra for marketing managers may indeed become “brands are people too” in that the more customers engage with brands like they do with others in their preferred social networks, the more satisfied and loyal they will become.

Look for results. As with any marketing communication initiative, not every social media effort will be a hit. First and foremost is that each initiative is tied to specific goals and objectives, and results are assessed on appropriate measures. It is unlikely that a single social media campaign will move customers fully through the purchase funnel or decision journey. Nonetheless each
campaign should move the needle on consumer attitudes and beliefs (such as emotional attachment, anthropomorphism, and brand relationship quality), and ultimately contribute to brand-building behaviors (such as satisfaction, willingness to recommend, and brand loyalty). As managers venture into new and exciting social media strategies to engage with customers, good measurement systems will enable them to adapt, expand, or scale back on their efforts as fitting.

Social Media and Brand-Customer Relationships

The objective of this study is to explore the extent to which social media interactions through which consumers engage with brands affect how consumers think, feel, and behave toward those brands. That is, do consumers that connect with brands via company websites, Facebook, Twitter, YouTube, Pinterest, and/or other social media, experience different brand relationships compared to other consumers who do not engage in brand-based social media? We study the relationships shown in the model below.

By directly comparing social media users and non-users, we examine the extent to which consumers engaging in brand-related social media interactions experience different degrees of emotional attachment, anthropomorphism (attribution of human-like characteristics), brand relationship quality, satisfaction, willingness to recommend, and loyalty. As social media engagement has no geographic boundaries, we explore these relationships in three major world markets, France, the United Kingdom and the United States.
While more and more marketing programs are starting to incorporate social media platforms, we sought to study an industry in which social media activity is relatively well-advanced and prevalent across competitors. As such, our research focuses on customers’ relationships with athletic shoe brands. Adidas, Nike, and other major competitors have extensive web presences, Facebook and twitter followers, and so forth. There is also a well-established set of global competitors, allowing us to compare customer-brand relationships cross-nationally.

We developed and pre-tested a survey instrument to measure the variables in our model. Slight modifications between the UK and USA survey were made (e.g., accounting for currency differences in the share of wallet measure of customer loyalty), while the survey was translated from English to French, then back-translated in preparation for data collection in France. Surveys were administered online. Most surveys took 5-12 minutes to complete.

We used a commercial market research firm to identify and contact 18-35 year old consumers in each country. To qualify for the survey, each respondent had to wear athletic shoes three or more days per week. They also had to have owned in the past 12 months at least one out of a set of seven brands. As such, all respondents have category familiarity and recent knowledge of and experience with at least one of the athletic shoe brands. For comparison purposes our goal was to survey approximately 100 consumers who passed the screening questions and interacted with the brand using social media and 100 consumers who passed the screening questions and did not interact with the brand using social media.

Social Media Use and Favorite Brands

Consumers were classified as social media users or non-users based upon whether they interacted in the past month with their favorite brand of athletic shoes using any type of social media. Responses for each country by social media use are shown in the following table.

<table>
<thead>
<tr>
<th>Social Media Use Responses by Country</th>
<th>France</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Users</td>
<td>111</td>
<td>99</td>
<td>104</td>
</tr>
<tr>
<td>Social Media Non-users</td>
<td>150</td>
<td>90</td>
<td>101</td>
</tr>
<tr>
<td>Total</td>
<td>161</td>
<td>189</td>
<td>205</td>
</tr>
</tbody>
</table>

We asked consumers in each country if they owned in the past year one or more of seven different athletic shoes brands. If they did, we then asked them to identify which of the brands is their favorite. The remaining questions on their social media activity and brand feelings and
behaviors pertained specifically to their favorite brand. The following table shows the percentage of brands consumers in and across the three countries identified as their favorite. Nike is most frequently cited by customers as their favorite brand in each country, though consumers in France and the UK identify adidas as their favorite brand more often than customers in the USA.

**Favorite Brands by Country**

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>UK</th>
<th>USA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>adidas</td>
<td>27.5%</td>
<td>32.8%</td>
<td>15.3%</td>
<td>25.2%</td>
</tr>
<tr>
<td>Asics</td>
<td>11.1%</td>
<td>6.3%</td>
<td>6.4%</td>
<td>8.3%</td>
</tr>
<tr>
<td>New Balance</td>
<td>4.2%</td>
<td>4.2%</td>
<td>16.7%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Nike</td>
<td>35.9%</td>
<td>43.4%</td>
<td>51.7%</td>
<td>43.0%</td>
</tr>
<tr>
<td>Puma</td>
<td>14.1%</td>
<td>5.3%</td>
<td>4.4%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Reebok</td>
<td>6.9%</td>
<td>7.9%</td>
<td>3.9%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Under Armour</td>
<td>0.4%</td>
<td>0.0%</td>
<td>1.5%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Consumers in each country interact with brands on a variety of social media platforms. As shown in the next table, some of these social interactions are company managed such as the brand websites and Facebook pages. Other interactions do not directly involve the company, for example social network platforms like gaming, music, and other personal interest sharing sites Hi5 and Tagged. Still other social media used by these consumers may or may not be brand managed; for example YouTube videos or tweets on twitter could be company generated or derive from non-company related sources. Regardless of the origin, in each country consumers use a variety of social media to interact with their favorite brands.

**Social Media Usage by Country**

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company website</td>
<td>28.9%</td>
<td>82.2%</td>
<td>81.1%</td>
</tr>
<tr>
<td>Facebook</td>
<td>91.2%</td>
<td>92.1%</td>
<td>95.3%</td>
</tr>
<tr>
<td>twitter</td>
<td>50.9%</td>
<td>58.4%</td>
<td>59.4%</td>
</tr>
<tr>
<td>YouTube</td>
<td>64.0%</td>
<td>70.3%</td>
<td>69.8%</td>
</tr>
<tr>
<td>Foursquare</td>
<td>20.2%</td>
<td>41.6%</td>
<td>34.9%</td>
</tr>
<tr>
<td>Google+</td>
<td>42.1%</td>
<td>52.5%</td>
<td>53.8%</td>
</tr>
<tr>
<td>Digg</td>
<td>17.5%</td>
<td>39.6%</td>
<td>30.2%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>21.1%</td>
<td>44.6%</td>
<td>36.8%</td>
</tr>
<tr>
<td>MySpace</td>
<td>28.1%</td>
<td>44.6%</td>
<td>41.5%</td>
</tr>
<tr>
<td>Tagged</td>
<td>18.4%</td>
<td>37.6%</td>
<td>29.2%</td>
</tr>
<tr>
<td>Orkut</td>
<td>16.7%</td>
<td>35.6%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Hi5</td>
<td>21.1%</td>
<td>38.6%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Meetup</td>
<td>14.0%</td>
<td>35.6%</td>
<td>30.2%</td>
</tr>
</tbody>
</table>
The use of Facebook, Twitter, and YouTube is similar across all three countries. The use of company’s websites is high and similar in the UK and the USA, yet lower in France. For the majority of the other social media usage seems to be similar and greatest in the UK and USA yet different than and lowest in France.

Social Media Use Research Results

Our first research question focused on whether consumers who interact with brands via social media form greater emotional attachment to the brands than consumers who do not engage in brand-related social media. To answer this question, we calculated the mean value from ten items on consumers’ feelings toward their favorite brand, and compared the mean scores of social media users and non-users in each country. As the chart below shows, social media users have significantly greater positive feelings and emotional attachment toward their favorite brand than do non-social media users. In each country social media users have higher emotional attachment to their favorite brand (red bars) compared to non-users (blue bars), with the biggest difference between social media users and non-users evident in the USA.
Our second set of research questions explored whether consumers who use brand-related social media, and who have greater emotional attachment to their favorite brand, are more likely to associate human characteristics with the brands (known as anthropomorphism) and to have higher brand relationship quality. Regarding anthropomorphism, we averaged scores from two questions on perceived brand characteristics, and compared the mean scores of social media users and non-users in each country. As the chart below shows, social media users have significantly higher levels of anthropomorphism than do social media non-users. In all three countries social media users have higher anthropomorphism toward their favorite brand (red bars) compared to non-users (blue bars).

The next chart compares the anthropomorphism scores for consumers who have low emotional attachment to their favorite brand versus those with high emotional attachment. The following chart reveals that consumers with high emotional attachment have significantly higher levels of anthropomorphism than do those with low emotional attachment. Across all countries consumers with high emotional attachment to their favorite brand have higher anthropomorphism to that brand (red bars) compared to consumers with low emotional attachment (blue bars). The biggest difference between high and low emotional attachment customers’ perceptions of anthropomorphism is evident in France.
The previous two analyses and charts clearly indicate that consumers associate more humanlike qualities with their favorite brands when they interact with those brands using social media and have greater emotional attachment to them. Thus brands become more alive to consumers via social media interactions and emotional attachment.

We next explore how social media use and emotional attachment affect brand relationship quality. The concept of brand relationship quality pertains to the extent to which consumers establish active partnerships with brands and in so doing perceive themselves involved in meaningful relationships with them. For example, when consumers feel they have a lot in common with a brand, or that the brand has been good to them, they have greater brand relationship quality compared to consumers who did not harbor such beliefs. We averaged scores from 16 questions on perceived brand relationship quality, and first compared social media users to non-users. As the chart below shows, social media users have significantly higher levels of brand relationship quality than do social media non-users. In each country social media users had higher quality relationships with their favorite brand (red bars) than did non-users (blue bars).
Then we compared the brand relationship quality scores for consumers who have low emotional attachment to their favorite brand versus those with high emotional attachment. The following chart reveals that consumers with high emotional attachment have significantly higher levels of brand relationship quality than do those with low emotional attachment. In all three countries consumers with high emotional attachment had higher quality relationships with their favorite brand (red bars) than did those with low emotional attachment (blue bars), most notably in the UK and USA.
The two analyses and charts on brand relationship quality show that social media use and high emotional attachment lead consumers to perceive themselves as actively engaged in meaningful relationships with brands.

Our third research question focused on the relationship between anthropomorphism and brand relationship quality. Specifically, we examine whether greater anthropomorphism strengthens brand relationship quality. To answer this question, we compare the brand relationship quality scores for consumers who have low anthropomorphism with their favorite brand versus those with high anthropomorphism. The following chart reveals that consumers with high anthropomorphism have significantly higher levels of brand relationship quality (red bars) than do those with low anthropomorphism (blue bars). Therefore the more consumers associate live, humanlike qualities with brands, the stronger their relationships are with those brands, especially in the UK.

Our fourth set of research questions explore how brand relationship quality relates to key marketing outcomes such as satisfaction, willingness to recommend, and loyalty. We asked consumers in each country three questions related to their satisfaction with their favorite brand:

- Satisfaction - respondents were asked how satisfied they were with the brand
- Meets expectations - respondents were asked how well the brand met their expectations
- Compares to their ideal - respondents were asked how they would compare the brand to the ideal athletic shoe

We also asked respondents how likely they were to recommend the brand to others, commonly referred to as a net promoter score.
The following charts show the average scores on the three satisfaction measures and the net promoter score for consumers with low brand relationship quality versus those with high brand relationship quality, for each country. In all cases, when consumers have higher brand relationship quality they are more satisfied with the brand and more likely to recommend it, as evident in the higher values when BRQ is high compared to when BRQ is low.
Brand loyalty was captured using a share of wallet measure. We asked respondents what percentage of their annual athletic shoe spending went towards their favorite brand. The following charts show the percentage of low and high brand quality relationship respondents, in each country, that indicated 1-25%, 26-50%, 51-75%, and 76-100% of their annual spending was on their favorite shoe brand. The results show that consumers with high brand quality relationships are much more likely to spend over 50% on their favorite brand (higher green and purple bars), whereas those with low brand relationship quality are more likely to spend less than 50% on their favorite brand (higher blue and red bars). Thus we see a positive association between brand relationship quality and loyalty.
Conclusion

Our findings show that consumers in France, the UK and the USA who engage in brand-related social media have greater emotional attachment with the brands, are more likely to humanize the brands (known as anthropomorphism), have higher quality brand relationships, and are more satisfied with, willing to recommend, loyal to the brands. Our study provides compelling,
cross-national support on the benefits of social media interaction on brand-customer relationships. As managers continue to navigate and explore the dynamic social media landscape, our research suggests that these investments will yield greater dividends when social media activities engage customers in two-way interactions, create emotional connections between customers and the brand, make the brand more human-like, and have measurement systems designed to assess brand relationship and marketing performance outcomes.
About the Authors & the Center for Marketing Studies

Dr. Simon Hudson is the endowed chair for the Center of Economic Excellence in Tourism and Economic Development at the University of South Carolina. He has held previous academic positions at universities in Canada and England, and has worked as a visiting professor in Austria, Switzerland, Spain, Fiji, New Zealand, the United States and Australia. Prior to working in academia, he spent several years working in the tourism industry in Europe. Dr. Hudson is internationally known and respected as a leading expert in tourism research and development. He has written five books, and 50 research articles, many of them focused on communications and customer service. He has a contract with UK publisher Goodfellow to write a new book on customer service.

Dr. Martin S. Roth is Professor and Chair of the Sonoco International Business Department at the Moore School of Business. His areas of expertise include global corporate and marketing strategy, in particular the development and implementation of customer-focused programs. He teaches in USC’s top-ranked graduate and undergraduate international business programs, and has also taught in Austria, France, Hong Kong, Mexico, Thailand and Tunisia. Dr. Roth’s research has been published in the leading marketing and management journals and he has spoken on a variety of marketing and global management topics at industry and academic conferences and for specialized trade organizations throughout the Americas and Europe. Dr. Roth has conducted executive development programs and consulted for companies ranging from multinationals to new ventures, most recently including Blue Cross Blue Shield SC, CSX, Fiberweb, Holopack International, Metso, Nissan, and Verizon.

Dr. Thomas J. Madden is Professor of Marketing at the Moore School of Business. His research has appeared in the leading marketing journals. Dr. Madden’s research on branding, along with his coauthors, received the Paul E. Green Award for the best paper in the Journal of Marketing Research 2001 and the Sheth award for the best paper in the Journal of the Academy of Marketing Science 2007. Dr. Madden’s current research interests include the use of value-based marketing strategies and specifically the impact of brand equity on shareholder value. He has also co-authored three textbooks on marketing management and marketing research. Dr Madden has participated in consulting engagements with companies such as Colonial Life, Enodis, Land Rover North America, Stouffers, South Carolina Business One Stop, The Sales Factory, U.S. Department of Agriculture, Xerox, and Zeneca. He has conducted executive development programs for companies such as Enodis, Gulf Stream, Medical University of South Carolina, Milliken Company, Raychem, South Carolina Electric & Gas, Torrington, Wienerberger and Xerox.

The Center for Marketing Studies at the Darla Moore School of Business provides value to local, regional, national and global businesses through excellence in marketing programs, training, seminars and consultative experiences. The Center for Marketing Studies is committed to assisting business leaders from concept to implementation. For more information on the Center for Marketing Studies visit http://mooreschool.sc.edu/facultyandresearch/researchcenters/centerformarketingstudies.aspx.

The authors gratefully acknowledge the support of Pitney Bowes.
End Notes


4. All differences described in the Research Results section are statistically significant at p-values <.01.

5. Anthropomorphism was measured by asking respondents to move a slider to the point on a scale that best represents how they would describe their favorite brand. A semantic anchor format was used, where the first anchor was at 0 on the scale and the second anchor was at 100. On each scale “Neutral” was at 50. We started with six items. A principal components analysis identified two sub-dimensions, the first with four items showing no difference across measures, and a second with two items that did show differences across measures and was thus retained for our analyses. The anchors for the two retained items were: Fake/Real and Artificial/Natural. Source: Bartneck, C., Croft, E., & Kulic, D. (2008). Measuring the anthropomorphism, animacy, likeability, perceived intelligence and perceived safety of robots. Proceedings of the Metrics for Human-Robot Interaction Workshop in affiliation with the 3rd ACM/IEEE International Conference on Human-Robot Interaction (HRI 2008), Technical Report 471, Amsterdam, 37-44.

6. Low and high emotional attachment groups were formed based on splitting each country sample on the median emotional attachment value.


8. Low and high anthropomorphism groups were formed based on splitting each country sample on the median anthropomorphism value.

9. All three satisfaction questions, as well as the question on willingness to recommend, were measured using 11-point scales.