IMPACT OF SOCIAL MEDIA ON CUSTOMER ENGAGEMENT

ABSTRACT

In terms of both brand development and responsible consumption, social media have made tremendous strides in recent years. This paper provides a summary of research on how social media marketing might stir up interest among readers. The purpose of this chapter is to examine the impact of social media on customer participation. It was shown that social media groups are effective resources for fostering enduring connections with consumers. They achieve this by facilitating customer participation in online communities centered on their respective companies, which can improve their brand reputation and lifetime value for customers.

Keywords: Customer, Engagement, Social Media, Facebook, Marketing

I. INTRODUCTION

Customer Engagement in social media is viewed as a valuable marketing outcome by professionals and academics alike (Rietveld et al., 2020; Simon & Tossan, 2018). The use of social media to interact with and engage with customers is quickly becoming the industry's next frontier. Blogs, websites for social networking, and online forums are just a few examples of the many different sorts of social media. Facebook is an SNS, Twitter is a microblogging service, and YouTube is a community for sharing material. Social networking services (SNSs) are programs that enable users to interact with one another through the creation of profiles, the invitation of relatives, close friends, acquaintances, and peers, and the subsequent sharing information, concepts videos, photos, text messages, and electronic mail (Roduula, 2020). Microblogging is an instantaneous information network that restricts the length (in terms of words) of each post in order to promote rapid exchange of ideas. With the advent of instant messaging, email, mobile phones, and the worldwide web, blogging has emerged as one of the most prominent applications of Web 2.0 technology (Wang & Kim, 2017). Online "content communities" are platforms where users may freely exchange and consume various forms of media. Social media platforms like Facebook, Twitter, YouTube, etc., and the countless online discussions and support platforms where they are discussed, see millions of client interactions every day. Over the next five to six years, this is expected to increase dramatically as the popularity of social media platforms and online communities continues to expand. Tsiotsou (2020) argues that this

tendency signals a more fundamental shift from interactions between companies and customers to interactions amongst customers that affect company-customer relationships.

Customer Engagement in the social media sphere takes many forms across sites like Facebook, Instagram, Twitter, and YouTube. Social networking sites like Facebook, which has the highest levels of engagement compared to other sites, may help businesses of all sizes build stronger relationships with their customers. Customers can show their opinions by responding to posts on a company's social media accounts with a variety of expressions, including likes, comments, shares, and emojis. The quality of a company's relationship with its customers can be gauged from such exchanges, and any resulting gaps can be used as opportunities for improvement (Devereux, Grimmer, & Grimmer, 2020). Companies need a solid Social Media customer engagement strategy because of this. The emergence of social media was and is a major cultural event. It's also rapidly growing in importance in the corporate world. Customers, both existing and potential, are increasingly talking about the products and services they own or plan to own on social media. Sometimes, customers will talk to other customers about a company's products or services instead of going directly to the provider. Successful businesses understand the value of listening in on consumer conversations. They are taking various approaches to gain insight from these social interactions, join in the conversation, provide assistance to their clients, and eventually use them to their advantage. Since social media consumer interaction is still in its infancy, additional study is required to determine how different types of social media influence customer involvement (Majeed et al., 2020). Now that more people have access to the web, firms can employ customer engagement techniques to foster stronger ties between their products and their target audiences (Santini et al., 2020). Customers today are more informed than ever about the options available to them and they frequently contact with service providers and other stakeholders (Lariviere et al., 2017). Companies in the service industry have recognized the importance of cultivating meaningful and financially fruitful relationships with their clientele, going above and beyond simple repeat business and recommendations (Roy et al., 2020). Existing empirical studies show that customer interaction is becoming increasingly crucial to businesses. For instance, studies have shown that over 80% of marketers aim to build advocacy and trust by securing the loyalty of their current clients (Pansari & Kumar, 2017). The purpose of this chapter is to examine the impact of social media on customer participation.

Business leaders may be able to use the study's findings to implement social media marketing strategies that boost their companies' success rates, so it's not just that a deeper understanding of the topic will allow for more application of the findings. Additionally, this study's findings could aid operational efficiency by revealing which social media marketing strategies produce the best results for organizations. The findings could help company executives design more practical social media marketing strategies. Successful entrepreneurs' use of social media marketing to boost customer involvement offers valuable lessons that can inform policy and practice in ways that support local economies' expansion. Last but not least, the research adds to the literature on how business managers can use social media to increase customer participation.

II. LITERATURE

Social Media

Brand-related outcomes, such as brand recognition and consumer engagements, can be achieved through the usage of social media as a form of advertising operations medium (Bento, Martinez, & Martinez, 2018; Kim & Yang, 2017). Consumers can interact with businesses, brands, and even relevant groups at any time and from any location thanks to promotional techniques impacted by the postings of social media (Majeed et al., 2021). The necessity of social media has given rise to new modes of communication in our homes, classrooms, and even business cycles, introducing new and more effective ways of contacting customers. The popularity of social media has skyrocketed during the past several years. According to several industry watchers, Facebook and WhatsApp are the social media platforms that dominate global communication the most (Larsson, 2017). Engaging customers has been shown to be helpful for insurance companies in the existing worldwide literature. Social media have also been shown to be the most efficient channel of contact with today's tech-savvy consumers. However, in a developing country like Ghana, there is a dearth of relevant study on how insurance businesses can use consumer interaction activities on social media platforms to win the loyalty of their clients (Amoah& Nkrumah-Arkoh, 2018).

III. CUSTOMER ENGAGEMENT

Customer engagement is the process of forging closer ties with them in order to win their loyalty (Ho & Chung, 2020). The traditional role of customers as recipients has given way to that of active co-creators of customer values (Lemon & Verhoef, 2016), as well as significant contributors to business value

and performance (Lemon & Verhoef, 2016). Recent technological advancements continue to open up new opportunities for consumer-firm contact, but early studies and conceptualizations of customer engagement were unable to account for this (Paruthi & Kaur, 2017). However, as digital platforms have developed over the past two decades, businesses' marketing tactics have shifted to focus on creating distinctive brand experiences via interactive multimedia settings (Santini et al., 2020). Brand-consumer "engagement" is an umbrella term for gauging the intensity of the connection between the two parties. Relational constructs including market orientation, brand loyalty, social networks, customer relationship management, and relationship marketing (Calder et al., 2016). According to research (Devereux et al., 2020), for relationships to be meaningful and productive, their aspects must reflect the consumer's social, cognitive, and emotional behaviors. According to this view, the degree to which a company takes into account a consumer's unique set of circumstances when deciding on a marketing strategy is a strong predictor of that consumer's level of involvement with that brand. In order to keep their clients connected emotionally, commercially, and sustainably, marketing managers have begun using social media to do so (Paruthi & Kaur, 2017; Santini et al., 2020).

IV. IMPACT OF SOCIAL MEDIA ON CUSTOMER ENGAGEMENT

Any and all possible permutations of prospective and present customers, non-customers, society at large, and sellers are all included in the broader concept of "the consumer engagement" in the field associated with advertising partnerships. Regardless of whether a brand acquires the same people or not, SNSs incentivize participation by creating credibility, reputation, and commitment between users and the brand (Majeed et al., 2020). All successful business owners understand the importance of maintaining strong client relationships. The importance of customers cannot be overstated, as without them, businesses would serve no purpose. Any company, no matter how big or little, can't succeed without effective communication and employee participation. It used to be really challenging to find ways to communicate with clients on a more individual level. However, developments in technology in recent years have made this much simpler, allowing firms to establish rapport with clients. Customer behavior (such as writing a review, expressing an opinion, and sharing an experience) and interactions with other consumers can take many forms on social media platforms. Customers can either participate in the conversation taking place on social media (by rating the quality of the service provided, posting their own comments and content, or sharing the

comments and content of others) or they can sit back and observe what is being said (Tsiotsou, 2016).

Businesses and consumers alike recognize the pervasive role the internet plays in our everyday lives. Social media sites have evolved in recent years and are widely used by people and businesses everywhere. On a more individual level, we can use these sites to keep in touch with loved ones, discuss current events, and distribute and receive material. They are crucial to companies of all sizes because of the important role they play in communicating with and engaging customers. Social interactions, such as participation in the social group and acceptability by the reference group, come after para-social relationships, as demonstrated by Tsiotsou (2016). Majeed et al. (2022) found that customers whose participation in an online community increased trust, satisfaction, value, commitment, and loyalty. Customers that participate in social media groups become more loyal to the business and provide the company with valuable feedback on how to improve as a relationship partner (Hollebeek, 2011). Value in social media is co-created by customers/actors through their participation in content creation, retrieval, sharing, and exploration with other customers/actors (or company representatives). The term "co-created value" describes the symbiotic relationship that develops between a company and its clients when they work together on a project. Customer loyalty is defined as "behavior toward the brand or firm that goes beyond exchanges" (Verhoef, 2010). Examples of customer loyalty practices include word-of-mouth advertising, making product suggestions, assisting other customers, blogging, and conducting customer satisfaction surveys. Advertisers have been using the term "customer engagement" in recent years in an effort to improve clarity in their messaging to consumers (Majeed et al., 2022). In this context, "customer engagement" refers to a consumer's actions in relation to a particular brand. Customer engagement is defined as "the process by which a customer interacts with a company to solve a problem" (Mollen & Wilson, 2010).

There are several ways in which social media can improve customer happiness and involvement. This is why they've gained such widespread acclaim among corporations all across the world. In addition to facilitating fruitful interaction and connection, social media greatly simplifies brand promotion, especially when working with a limited budget. Managers can connect with their target demographic in a way that is impossible with more conventional forms of advertising thanks to the use of social media. Offering exclusive discounts and freebies to firm's social media followers is a terrific way to make them feel valued. If, for instance, the company is in the payday loan business, its leaders may provide their devotees with a limited-time promotional rate. This can help

businesses not only attract new fans but also retain the ones they already have by making them feel special.

The public's perception of a company can be shaped in large part by how actively it engages with its target audience on social media. Customers' perceptions of a company's quality and reliability are a major factor in determining which brands to try. To win over existing customers and acquire the interest of potential new ones, it is crucial to offer first-rate support via social media and other channels (Majeed et al., 2022). Approval from patrons can be signaled through five-star evaluations, which are heavily relied upon by hesitant consumers. A brand's visibility on social media will grow in proportion to the amount of interaction it receives in the form of likes, shares, and comments. The foregoing claims imply that businesses should devote considerable resources to attracting customers on social media by producing content that is both original and persuasive.

The main advantage of social media is that it allows companies to interact with their target demographic. If a firm cares about its audience and put out high-quality content, a firm should get a good response. When customers see that a firm more than simply a name or logo, it may do wonders for the company's reputation. Maintaining open lines of contact with firm's clientele is crucial to the success of the business. The reputation of the business might take a major hit if a firm provide poor customer service and response. By allowing customers to reach out to the company via social media, managers can respond quickly and effectively to their inquiries. Both the company and the client stand to gain from this if processing times are reduced.

V. IMPLICATIONS

The chapter aims to look at the effect of social media on customer engagement. There are a number of useful takeaways from this research as well. This research made the first real-world contribution by introducing metrics for gauging customer participation in social media. These sites have quickly become an integral part of modern day business communication. Companies who care about their customers should treat this as a serious investment. Managers attempting to use social media to interact with their clientele should do so across many channels. Some of the most well-known examples include social media platforms like Facebook, Twitter, and Instagram. Naturally, businesses are free to employ any number and any combination they see fit. It's smart to check a few out and see which ones work best for the business. Once managers have this information, they can decide which social networking sites

to use going forward. No company can afford to ignore the potential of social media because of how easy it is to use. When these platforms are used properly, businesses can achieve results that will astound their managers. Because of this, a growing number of companies are counting on social media to help them succeed.

Companies may analyze and adapt the tactics highlighted in this study to establish long-term survival plans to boost their viability, making it crucial for business executives to implement effective social media marketing strategies. The study's findings could be used by executives in a different company to develop strategies for raising brand recognition and loyalty, spreading word of the company's products and services, and attracting more customers. This chapter argues that a shift towards objectively authored social media posts is necessary to boost client engagement with a product. Furthermore, a positive argument frame raises customer involvement with products in the decline stage. To recapture the attention of social media users throughout a product's fall phase, it appears that giving positive promotional posts is effective. The last two discoveries enable businesses to forego investing resources on useless strategies. This chapter offers insight into the marketing methods employed by successful business leaders, which may be of assistance to business leaders whose purpose is to affect positive social change in their communities. Business owners and managers may benefit from this research by learning how to better ensure their companies' long-term viability and, by extension, their potential to effect positive social change. Brands should promote open communication and community management to boost consumer participation. Brands need to have active community managers who can respond to customer inquiries and start new discussions. Brands that maintain a constant online presence are better able to handle customer inquiries and establish meaningful relationships with their target audiences. In order to succeed, brands need to zero in on who they're trying to reach and what interests them. A brand's primary purpose is to serve its customers. While offering incentives and discounts may boost firm's following in the short term, this is not a sustainable strategy. Therefore, the key to attracting clients is to produce content of excellent quality. Customers prefer speaking with someone on the firm's team who can address their concern promptly. Increased consumer satisfaction, revenue, and participation can all be achieved through social listening. Listening to discussions happening in the firm's social media platforms is exactly what the term implies. Managers can learn about issues or possibilities that the company might not be aware of otherwise by listening to what people are saying about the company, business, and even competitors. Managers can then engage the people who were

discussing the company in order to find solutions, create possibilities, and, most importantly, forge relationships.

Make posts that will get more than just a "like" from the audience. In 2016, Facebook launched responses, allowing users to express a variety of emotions in response to (Facebook, 2016). While the number of likes a piece of content receives is still important, the number of reactions it receives is much more influential. Facebook's algorithm greatly weights the amount of shares a post receives when determining who gets to see it. Content shared by friends and family members is given higher prominence than material shared by fan pages. Leaving thoughtful comments is a terrific method to gain exposure among firm's followers and their networks. Popular or timely news items, as well as interactive pieces, are terrific conversation starters.

VI. CONCLUSION

The chapter aims to look at the effect of social media on customer engagement. The widespread use of social media in today's worldwide financial and cultural context has piqued the interest of academics and business leaders alike. They are increasingly important to the success of organizations of all kinds as a means of interacting with and retaining customers. As a result of its ability to boost consumer participation, contentment, and dedication, social media have gained massive popularity among businesses throughout the world. They offer a venue for clients to carry out a wide range of activities and interact with one another. Customers can be either active participants (by providing feedback on the quality of the service provided, posting their own thoughts and content, or offering the feedback and content of others) or passive observers (by simply reading the comments and content provided by others or listening in on the discussions taking place between others). Because of the two-way nature of active customer participation, it may be classified as social behavior, while passive participation may be classified as para-social conduct. Organizations' social media marketing strategies must include active consumer participation. The dynamics of the market are established by the wants of consumers, thus effective marketing must take these into account. Successful methods include creating value-driven and problem-oriented material with humorous and memorable components. Organizations can profit from these strategies in a number of ways, such as increased customer satisfaction, brand recognition, and the spread of positive word-of-mouth. It also raises profile in social media algorithms, which is a collection of information used to rate and recommend content to potential customers.

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