Using Social Media to Increase Consumer Loyalty to a Brand

A Senior Project

presented to

The Faculty of the Journalism Department

California Polytechnic State University, San Luis Obispo

In Partial Fulfillment

of the Requirements for the Degree

Bachelor of Science in Journalism

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June 2012

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Abstract

The following study investigates how to use social media to increase consumer loyalty to a brand. With the increasing trend in the utilization of social media practices in the fields of public relations and marketing, it is becoming significantly important to understand how to effectively reach and communicate with consumers through this medium. Sashi states (2012) "the interactive nature of social media (its ability to establish conversations among individuals, firms in communities of sellers and customers, and involve customers in content generation and value creation) has excited practitioners with its potential to better serve customers and satisfy their needs" (p. 254). This study focuses on the necessary tools, tactics, and strategies that should be utilized through social media in order to increase consumer loyalty.

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Chapter 1

Introduction

Statement of the Problem

This study focuses on how current public relations and marketing strategies incorporate various aspects of social media to positively affect consumer loyalty to a brand. Within the past few years, social media has become an increasingly popular medium for brand and consumer engagement. "The interactive nature of social media (its ability to establish conversations among individuals, firms in communities of sellers and customers, and involve customers in content generation and value creation) has excited practitioners with its potential to better serve customers and satisfy their needs" (Sashi, 2012, p. 254).

For years, public relations and marketing professionals have used different mediums to provide customer service and promote products. Social media has fostered the growth of trusting relationships between consumer and brand, making it an increasingly important medium to utilize in order to maximize brand loyalty.

Background of the Problem

The existing literature regarding social media is fairly recent and mainly focuses on the opportunities and benefits of engagement between the consumer and the brand. By understanding and utilizing social media marketing, knowing the expectations of social media consumers, and creating trusting relationships with those consumers, social media can be applied to any local business or large corporation to increase consumer loyalty.

Social media has allowed customers to talk about what they want, need, like, and do not like in real time, creating an opportunity for businesses to tap into this data and connect on a personal level ("Strategic Direction," 2012, p.25).

Since social media is being utilized at an increasingly rapid pace by consumers, it is imperative to conduct research on the current strategies used by professionals in marketing and public relations by collecting expert opinions on the topic of social media marketing.

Purpose of the Study

According to the current trends in the field of marketing, technological advancements that have allowed our culture to communicate in real time and the utilization of social networking sites to conveniently access product reviews from other ordinary consumers, are both partially responsible for the recent development of personal relationships between consumer and brand.

It is imperative for a company to provide effective customer service in order to increase brand loyalty. Now, companies maximize upon this by directly communicating with their consumers through social media, whether they are responding to positive feedback, or generating a better understanding as to why a consumer was unhappy with their product. By investigating the current strategies of social media marketing used to increase consumer loyalty, public relations and marketing professionals who utilize this means of communication for a brand will benefit.

Setting for the Study

This study will be conducted as part of the data collection for a Senior Project at California Polytechnic State University, San Luis Obispo. Interviews will be conducted with experts within the following two fields: marketing and public relations. Each expert will be asked the same set of questions. The questionnaire is specifically designed to answer the

research questions and fill the gaps in recent literature relating to the topic of social media marketing.

Research Questions

The following research questions were created and designed to answer fundamental gaps in the existing literature on the relationship between social media marketing and brand loyalty. After analyzing and researching the existing information on the topic, each question was established to obtain additional and necessary data from professionals in the fields of marketing and public relations.

1. How is social media used as a means to increase consumer loyalty to a brand?
2. What specific social media tactics and tools are currently being used to increase brand loyalty?
3. How is a brand managed strategically through social media aspects including: customer relations management, crisis management, and understanding the consumer's needs and wants?
4. How has marketing and public relations practices changed over time?
5. How can the success of consumer loyalty to a brand be measured?

Organization of Study

Chapter 1 introduced the background of the problem and the purpose of conducting the study. Chapter 2 will identify the strategies that encompass social media marketing by reviewing the current literature on the topic. Chapter 3 explains the methodology of the study. Chapter 4 presents and organizes the findings based on the original research questions. The data will then

be analyzed and compared to the existing literature on the topic. Lastly, Chapter 5 includes a summary of the study and recommendations for professionals in the public relations and marketing fields. This summary demonstrates how to utilize social media effectively to communicate with consumers and increase brand loyalty.

Chapter 2

Literature Review

Social Media Marketing

According to Khan and Khan (2012) "a broad range of businesses from small owner operations to large multi-national corporations are now including new media and social network marketing and communications as a key element of their marketing and promotional strategy" (p. 3). Social media is the most cost effective and easy to use platform to communicate and share information about brands, businesses, new products and services, events and anything else, (Khan and Khan, p. 4). Khan and Khan (2012) state that, "this information gets passed on by a company's followers to their followers, creating a multiplier effect which increases audience," (p. 4).

Social media networking allows customers and potential customers to take the initiative and market between themselves. This creates a dynamic ecosystem that incubates and nurtures relationships between people and the content they create and share (Khan and Khan, p. 4). They communicate with one another about the benefits or otherwise of particular products, sharing experiences - good or bad - and even posting their own advertisements for the products and services they liked (and, importantly, those they did not) ("Strategic Direction," 2012, p. 25). Social media has allowed customers to talk about what they want, need, like, and do not like in real time, creating an opportunity for businesses to tap into this data and connect on a personal level ("Strategic Direction," 2012, p.25).

According to Sashi (2012) "the interactive nature of social media (its ability to establish conversations among individuals, firms in communities of sellers and customers, and involve customers in content generation and value creation) has excited practitioners with its potential to better serve customers and satisfy their needs" (p. 254). Sashi states that, "the evolution of the

internet and in particular the emergence of social media with its enhanced ability to facilitate interaction between buyers and sellers has captured the interest of managers seeking to better understand and serve their buyers using these technologies and tools" (p.255). The overwhelming interest in adopting this strategic approach can be due in part to its ability to increase measurements of success for a company. Deglado-Ballester and Munuera-Aleman (2001) believe brand loyalty generates from: "a substantial entry barrier to competitors, an increase in the firm's ability to respond to competitive threats, greater sales and revenue, and a customer base less sensitive to the marketing efforts of competitors" (p. 1238).

Social Media Consumers

According to Greenberg (2010) social consumers "expect information 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" (p. 411). Social consumers require transparency and authenticity from their peers and the companies they choose to deal with (Greenberg, 2010, p. 411).

Khan and Khan (2012) state that the social media demographic consists of "your customers, your friends, your family, your workers, your constituents, your shareholders, and, like it or not, you" (p. 4). Social consumers feel compelled to share information with peers they might never have met, but who are "someone like them" (Greenberg, 2010, p. 412).

Customer Relationship Management

Understanding social media and consumer relationships with it, allows companies to successfully fill a customer service void ("Customer Relationship Management," 2012, p. 29).

According to Handley (2012) "people expect a brand to respond to both complaints and positive feedback posted online" (p. 22). Roger Sant, vice-president of Maritz Research says, "it would be seen as much more intrusive if a company contacted someone without having good reason. If a person has posted something online, out in the public domain, there does seem to be an expectation that the company has a right to contact you; and when they do, it will have a generally positive impact" (Handley, 2012, p. 22). The more effectively a company responds to complaints and positive feedback posted online, the more quickly they will demonstrate that they care about the consumers concerns, leaving customers happy and feeling as if they made a contribution to the brand (Handley, 2012, p. 24).

Social Media and Online Sales

Robert Wollan, managing director of Accenture's CRM practice says, "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 decisions" (Henschen, 2012, p. 17). "Customers want new and easy ways to interact with companies in a new business dynamic, including through social media," says Gene Alvarez, research VP at Gartner (Huber, 2011). This expectation makes it a necessity for companies to incorporate social media into their marketing strategies.

According to Sousa (2012) "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" (p. 165). Christian Hernandez, head of international business development at Facebook says, "Purchasing decisions have always been influenced by friends' opinions, but the social web offers much greater opportunity for retailers to tap into this" (Smith,

2011, p. 21). According to Smith, (2011) 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 (p. 19). Nick Sharples, director of corporate communications, Sony Europe says, "Third-party endorsements are increasingly important because people like to see what other ordinary people have said about products" (Smith, 2011, 20). As consumers become increasingly happy to make purchasing decisions within the social arena, brands are given the opportunity to capitalize on the social media and e-commerce excitement. According to Huber (2011) by 2015, companies will make half of their online sales from social media and mobile applications.

Chapter 3

Methodology

In this chapter the methods used to collect data for the study including the data sources, collection and presentation of the data, and delimitations will be presented.

Data Sources

For this study, three experts from the fields of marketing and public relations were interviewed based on a single questionnaire. The questionnaire was specifically developed to answer the original research questions regarding social media marketing and brand loyalty.

Participants.

The marketing expert selected for the interview was Joey Leslie, president of StudioGood, an award-winning digital and social media agency with headquarters in San Luis Obispo, California. The public relations expert selected was Jennifer Saxon, communications team manager of MINDBODY, a studio management software company with its corporate main office in San Luis Obispo, California. Lastly, the public relations and marketing expert selected was Mary Verdin, president of Verdin Marketing Ink, a well-known, local firm located in San Luis Obispo, California.

Interview Design.

The following questions and probes were asked to each expert from the marketing and public relations fields and served as data sources for this study:

1. How would you, as an expert in your field, describe social media as a means to increase consumer loyalty to a brand? Please give an example of when the utilization of social media led to an increase in brand loyalty.

2. What are some specific social media tactics and tools currently being used in your field to increase brand loyalty?
3. How do you manage a brand strategically through:
    a. Customer relations management
    b. Crisis management
    c. Understanding the consumer's needs and wants
4. In your opinion, how has marketing and public relations practices changed over time? Have these changes hurt or helped communication with a company's consumers? Why?
5. How would you measure the success of consumer loyalty to a brand? Please provide examples.

Data Collection

The method of data collection for this study was three individual interviews with each expert. The interviews were conducted during May 2012 and lasted approximately 30 minutes each. During each interview, the expert was asked specific questions from a single questionnaire that was designed to provide answers to the original research questions presented. The answers obtained foster greater insight into social media marketing strategies utilized to increase consumer loyalty to a brand.

Data Presentation

A digital voice recorder as well as written notes taken during and after the interviews were utilized to document the responses. Taking both, notes and recording the interview ensures that the data collected is presented in the most complete and objective way possible.

Limitations

Limitations within this study exist due to the type of data collected and the interview process. The purpose of the study was to gain additional insight into social media tactics and strategies used in the experts' respective fields as well as to learn about their own personal opinions on social media. The responses obtained are qualitative and opinion-based, therefore the study disallows generalizations to be made on this topic.

Delimitations

Additionally, while interviews with Jennifer Saxon and Mary Verdin were face-to-face interviews conducted in San Luis Obispo, California, the interview with Joey Leslie was conducted through email. Due to his traveling and time constraints, the possibility of a face-to-face interview was not feasible for the study. Although his answers were documented through email, delimitations might exist based on the informality of the interview.

Chapter 4

Data Analysis

Chapter 4 will provide descriptions of the experts interviewed for the study and summarize the respondents' answers to the questionnaire. Since the data was collected through recorded interviews lasting approximately 30 minutes, it will be presented in the form of direct quotations or paraphrased responses. The answers will then be analyzed and compared to the original research questions and the existing literature on social media marketing as reviewed in Chapter 2.

Description of Participating Experts in Related Fields

Marketing

Joey Leslie was the marketing expert for the study. Leslie serves as president for the award-winning digital and social media agency, StudioGood. The agency has headquarters located in San Luis Obispo, California with additional offices in New York and Dallas. Leslie has created social media campaigns for Pepsi, BestBuy, Unilever, Electrolux, eBay, PayPal, and many more. He has over 15 years experience developing and managing online campaigns for major entertainment studios, Fortune 500 companies, and national nonprofits.

Public Relations

The public relations industry expert selected for the study was Jennifer Saxon, communications team manager at MINDBODY in San Luis Obispo, California. Saxon brings nearly ten years of PR, marketing, and media relations experience to her role as lead content manager. She served as Media Relations Manager for destination s like Mount Vernon Estate and Gardens and the International Spy Museum. Prior to her position at MINDBODY, Saxon

managed public relations accounts for Barnett Cox & Associates, an integrated branding agency located in San Luis Obispo, California.

Public Relations & Marketing

The public relations and marketing industry expert selected for the study was Mary Verdin, president of Verdin Marketing Ink. Verdin started the business eight years ago from the ground up. Since its start, the agency has won regional, national, and international awards. Verdin Marketing Ink specializes in public relations, marketing, and social media strategies. Verdin has over 18 years of experience within her field of public relations and communication experience. She represents an array of clients from city and county governments to private business and nonprofit organizations.

Social Media Marketing Questionnaire

Each expert was interviewed and asked to respond to the following questions and probes regarding the use of social media to increase consumer loyalty to a brand.

1. How would you, as an expert in your field, describe social media as a means to increase consumer loyalty to a brand? Please give an example of when the utilization of social media led to an increase in brand loyalty.

Question #1 was asked to gain insight into the ways professionals within these industries define social media as a positive tool and why it is imperative to use in each field. The question was designed to clarify what social media means in order to smoothly lead into the following questions and probes.

- Joey Leslie: "Social media allows consumers to attach themselves directly to brands. Effective management of a brand's social graph takes advantage of these

consumers by providing them with something they deem valuable. When consumers discover value, they are more likely to share their enthusiasm with their networks" (Appendix A).

- Jennifer Saxon: "Well social media is for the first time the ability for people to have a measurable, track-able channel for word of mouth and word of mouth has always been something that's very hard to track" (Appendix B).
- Mary Verdin: " I think what we've been able to bring to all of our clients whose facebook page we manage is that two way communication and I think that's where the loyalty piece comes in" (Appendix C).

2. What are some specific social media tactics and tools currently being used in your field to increase brand loyalty?

Question #2 was designed to investigate the various strategies being used within each field and how they have a positive effect on consumer loyalty. The question was important to determine how recent tactics and tools have changed, but how their purpose has remained the same over time.

- Joey Leslie: "Facebook Prizing – coupons, giveaways, sweepstakes, contest; Cause – micro-donation per user action (like, tweet, watch, share); Content – brand generated and/or aggregated content of value; Customer service via social; Mobile optimized content/emails; Specialized influencers (sports/mommys/chefs/designers); Pinterest" (Appendix A).
- Jennifer Saxon: "It's all about content right now for us, you know we do facebook sweepstakes and Pinterest contests. Those type of things keep people engaged and having fun. That by itself doesn't necessarily build loyalty, but it builds

engagement and the more they engage with you the more they see the other things that you are doing, then the loyalty comes after that" (Appendix B).

- Mary Verdin: " We've done for our tourism client a lot of contests and contests work great for that because people want to come here to go on a vacation. For Old Juan's we're doing fan of the week. It's an app that we have put on the facebook page that we don't have to actually pick somebody, it's an automatic thing every week and that's kind of fun because we just pick one of the fans. People can post likes and stuff. That's been a great way to do some engagement" (Appendix C).

3. How would you manage a brand strategically through:

   a.) Customer relations management

   b.) Crisis management

   c.) Understanding the consumer's needs and wants

Question #3 was created to build off of the previous question regarding tools and tactics being used within their fields. It was asked to discover the ways in which experts manage a brand to maintain brand presence and satisfy consumers. Question #3 narrows management strategies using customer relations management, crisis management, and understanding the consumer's needs and wants.

- Joey Leslie: "Provide easy access for CSR; Active customer service per established plan; Active listening (targeted broad and focused / sentiment / trends / influencers); Proactive – push content / engage loyalists / respond to all reviews" (Appendix A).

- Jennifer Saxon: "We actually we use a tool that is a somewhat automated tool whenever we have a customer service call, we send a survey to them to ask them how their experience went and when they fill that out, the tool that we use is able to determine the net promoter score. We are moving less away from talking about us and more towards talking about our clients and we're going to be doing that through case studies and then we'll promote them on our facebook sites, we'll promote them in our blogs, we'll promote them on the website. You have to include social media in your plan. We have a much more detailed client communications plan for when something goes wrong than what we had before and a lot of times unfortunately, I mean it's always a good idea to have a plan, but until it happens, especially with social media you don't really know what the red flags are going to be and what the dangerous zones are. All social media sites come with their own analytics as well, so not only can you conduct on purpose research, but then you can also look at these sites analytics and see how people are just using them so that you can see where people are coming from and determine are they coming from places where you're marketing from" (Appendix B).
- Mary Verdin: " Well, when I hear CRM I think of the programs we have that we help our clients with in CRM that could include social media, but don't only include social media. We talk a lot about writing talking points, getting ready writing a press release just in case, we talk a lot about, if it's an industry like the food industry where there could be a lot of problems, it's smart to have a dark website that if something happens in ten minutes you can put up some

information and put that website up immediately so if people are looking online they can see that. People forget about social media a lot and they are afraid of social media because it's not one way it's two way. I think social media can be used to kind of get that information for what the consumer wants, but I think there's other research as well and having some kind of understanding before you have a platform at all is important" (Appendix C).

4. In your opinion, how has marketing and public relations practices changed over time? Have these changes hurt or helped communication with a company's consumers? Why?

Question #4 was designed to receive perspectives from each expert on how traditional practices have changed with the development of social media. Collecting data on the evolution of practices within these fields was necessary due to the increasing use of social media not only by brands, but consumers as well.

- Joey Leslie: " More accessible metrics along with direct consumer input have sped up the release cycle of messaging. Overall a positive for consumers (they feel heard and valued) and for brands (they get quick feedback and truer measure of ROI). One large and unaddressed downside to social/digital changes is the “social squeaky wheel." Too much power is given to lone voices of discontent" (Appendix A).
- Jennifer Saxon: " It's very much an emotional connection that you have with the company that creates that loyalty and that trust. Social media has helped with that because you have to be more transparent now and you have to communicate with your consumers more now if you're going to be on those channels. You have more access to a company now than you ever did before and they are more

vulnerable now than they ever were before, but they also have a lot more competition than they ever did before, so it's really how do you deliver on your brand promise and build trust in your company and be transparent at the same time? It's just all about honesty" (Appendix B).

- Mary Verdin: "It still goes back to the same principles. I think public relations has always been about building relationships and earned media getting your message out there in a third party endorsement kind of a way and that has not changed. It's the vehicle that has evolved. One of the great things about how things have evolved online is that we use to have one audience for a press release, the reporter, now it's the consumer too because we'll send out that press release, but we're also going to post it on our client's website and that's going to be searchable information" (Appendix C).

5. How would you measure the success of consumer loyalty to a brand? Please provide examples.

Question #5 was designed to gain insight into the way experts in the marketing and public relations fields measure the success of consumer loyalty. "Success" was used intentionally to gather subjective opinions on how one would assess successfully building loyal relationships with consumers and what this means in the corresponding industries.

- Joey Leslie: " I would always prefer the Bain Net Promoter metric over broad customer loyalty surveys or research. Especially in social/digital" (Appendix A).
- Jennifer Saxon: "If brand loyalty means that you have created advocates for your brand who are referring you, you can track that and find that out and as that grows, then obviously the success of that has grown. If you're having a crisis and

the vast majority of your clients stay with you and not only stay with you, but post encouraging remarks and actually post remarks to people who are not being kind to you and telling them to stop it, you know that's a measurement of success there that you have people defending you, you don't even have to defend yourself. So it really depends on what that definition of consumer loyalty means to you" (Appendix B).

- Mary Verdin: "With us, a lot of it is about that engagement and looking at how many people are talking about it, what the reach is, and really measuring the places we're getting more likes and the types of posts that are getting the engagement" (Appendix C).

Social Media Marketing Research Questions

For this study, the following five questions were created to determine what current tools, tactics, and strategies are being used among marketing and public relations industry professionals and collect expert opinions on using social media to increase consumer loyalty to a brand.

Research question 1: How is social media used as a means to increase consumer loyalty to a brand?

- "Social media is the most cost effective and easy to use platform to communicate and share information about brands, businesses, new products and services, events and anything else" (Khan and Khan, p. 4).
- Khan and Khan (2012) state that, "this information gets passed on by a company's followers to their followers, creating a multiplier effect which increases audience," (p. 4).

Research question 2: What specific social media tactics and tools are currently being used to increase brand loyalty?

- "Social media has allowed customers to talk about what they want, need, like, and do not like in real time, creating an opportunity for businesses to tap into this data and connect on a personal level" ("Strategic Direction," 2012, p.25).
- Sashi states that, "the evolution of the internet and in particular the emergence of social media with its enhanced ability to facilitate interaction between buyers and sellers has captured the interest of managers seeking to better understand and serve their buyers using these technologies and tools" (p.255).

Research question 3: How is a brand managed strategically through social media aspects including: customer relations management, crisis management, and understanding the consumer's needs and wants?

- "The more effectively a company responds to complaints and positive feedback posted online, the more quickly they will demonstrate that they care about the consumers concerns, leaving customers happy and feeling as if they made a contribution to the brand" (Handley, 2012, p. 24).

Research question 4: How has marketing and public relations practices changed over time?

- "Purchasing decisions have always been influenced by friends' opinions, but the social web offers much greater opportunity for retailers to tap into this" (Smith, 2011, p. 21).
- According to Smith, (2011) "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" (p. 19).

Research question 5: How can the success of consumer loyalty to a brand be measured?

- "Brand loyalty generates from: a substantial entry barrier to competitors, an increase in the firm's ability to respond to competitive threats, greater sales and revenue, and a customer base less sensitive to the marketing efforts of competitors" (Delgado-Ballester and Munuera-Aleman, 2001, p. 1238).

Social Media Marketing Data

For this project, it was imperative to see what experts in the marketing and public relations industries said due to the limited and pertinent information that currently exists on the topic of social media marketing and consumer loyalty. This data was acquired through interviews with Joey Leslie, a marketing expert, Jennifer Saxon, a public relations expert, and Mary Verdin, an expert in both fields. Each respondent was asked identical questions that were specifically designed to answer the original research questions presented in Chapter 1. The following tables demonstrate the respondents' answers in the form of their subjective opinions on the original research questions.

Research question 1: How is social media used as a means to increase consumer loyalty to a brand?

This research question was studied in response to the current literature that exists on the topic of social media marketing in general. There is a substantial emphasis found within current literature on the utilization of social media as a tool that should be incorporated into public relations and marketing strategies. The literature states that public relations professionals use social media sites to position and facilitate communication between brand and consumer. Social media allows individuals to reestablish their own identities by having a voice, and it "has

received extensive attention for the way it empowers the public relations function" (Smith, 2010, p.329).

This question was created to formulate a valid response based on the way marketing and public relations professionals would describe social media as a means to increase consumer loyalty to a brand. The existing literature demonstrates that there is substantial research supporting social media as an influential tool to public relations and marketing professionals. However, the literature lacks a clear reasoning for using social media to increase brand loyalty.

Table 1 summarizes each respondents' answers to this question of which all were closely related to the current literature. All three respondents viewed social media marketing as a way to communicate effectively with your consumers to increase brand loyalty. Leslie used Kelly Ripa as an example of a celebrity endorser for Electrolux social media campaigns, while Saxon and Verdin mentioned local examples at MINDBODY and Old Juan's Cantina.

Table 1

Social Media as a Means to Increase Brand Loyalty

Respondent	Social media can be used to increase consumer loyalty because...	Example of utilizing social media to increase brand loyalty
Joey Leslie	Consumers attach themselves directly to a brand	Kelly Ripa
Jennifer Saxon	It is a measurable, track-able channel for word of mouth	MINDBODY
Mary Verdin	It is a form of two way communication	Old Juan's Cantina

Research question 2: What specific social media tactics and tools are currently being used to increase brand loyalty?

This research question was studied in order to find out specific tactics and tools being used to increase consumer loyalty to a brand. "Social media has allowed customers to talk about what they want, need, like, and do not like in real time, creating an opportunity for businesses to tap into this data and connect on a personal level" ("Strategic Direction," 2012, p.25).

The existing literature on this topic is scarce and does not provide detailed insight into the specific tools being used by the marketing and public relations industries, other than providing effective customer service. This information is imperative in order to understand how social media is being used to increase consumer loyalty. The experts shared the tactics and tools they find beneficial to increasing consumer loyalty, all of which were similar and closely related.

Table 2

Social Media Tactics and Tools

Respondent	Social media tactics and tools currently being used to increase brand loyalty are...
Joey Leslie	Facebook prizes, cause marketing, content generation, customer service, mobile emails, Pinterest
Jennifer Saxon	Content generation, Facebook sweepstakes, Pinterest contests
Mary Verdin	Facebook contests and polling

Research question 3: How is a brand managed strategically through social media aspects including: customer relations management, crisis management, and understanding the consumer's needs and wants?

This question was studied to discover what strategies professionals are using in public relations and marketing to maintain and manage a successful brand. "The more effectively a company responds to complaints and positive feedback posted online, the more quickly they will demonstrate that they care about the consumers concerns, leaving customers happy and feeling as if they made a contribution to the brand" (Handley, 2012, p. 24). The literature continuously stresses providing customer service to understand what the consumer's needs are, but there are no significant strategies touched upon to provide insight into crisis communication techniques.

This question was created to build off of the previous question regarding tools and tactics being used within their fields. It was asked to discover the ways in which experts manage a brand to maintain brand presence and satisfy consumers. Research question three narrows management strategies using customer relations management, crisis management, and understanding the consumer's needs and wants.

Table 3

Managing a Brand Strategically

Respondent	Manage a brand strategically through customer relations management, crisis management, and understanding a consumer's needs by...
Joey Leslie	Providing active customer service and actively listening to trends and listeners. Be proactive.
Jennifer Saxon	Automated tools, surveys, making a crisis communication plan prior to a problem, use social media analytics to gauge what consumers want
Mary Verdin	Emails, Facebook posting, creating a dark website prior to a crisis, using social media to see what the consumer wants in addition to prior research

Research question 4: How has marketing and public relations practices changed over time?

This question was studied to analyze the evolution of public relations mediums and its effect on consumers. According to the literature, social media has changed the relationship between consumer and brand drastically. Social media allows users to communicate with ordinary consumers similar to themselves prior to making purchasing decisions. "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" (Smith, 2011, p. 19).

This question was designed to receive perspectives from each expert on how traditional practices have changed with the development of social media. Collecting data on the evolution of practices within these fields was necessary due to the increasing use of social media not only by brands, but consumers as well.

Table 4

Changing Public Relations Practices

Respondent	Marketing and public relations practices have changed over time by...
Joey Leslie	More accessible metrics and direct consumer input. Consumers are now heard and valued. Brands receive quicker feedback.
Jennifer Saxon	Emotional connection to a brand because consumers have more access to a company. Brand have to be more transparent.
Mary Verdin	The principle is the same: building relationships. The vehicle is what has evolved. Consumer is now an audience.

Research question 5: How can the success of consumer loyalty to a brand be measured?

This question was studied to understand the way professionals in the marketing and public relations industries define success of consumer loyalty. Success is an ambiguous term allowing for a variety of subjective opinions within the existing literature and interviews. Although there are differing opinions on the measures of success, common themes are portrayed throughout answers. "Brand loyalty generates from: a substantial entry barrier to competitors, an increase in the firm's ability to respond to competitive threats, greater sales and revenue, and a customer base less sensitive to the marketing efforts of competitors" (Delgado-Ballester and Munuera-Aleman, 2001, p. 1238).

This question was designed to gain insight into the way experts in the marketing and public relations fields measure the success of consumer loyalty. "Success" was used intentionally to gather subjective opinions on how one would assess successfully building loyal relationships with consumers and what this means in the corresponding industries.

Table 5

Measuring Consumer Loyalty

Respondent	Consumer loyalty to a brand can be measured by...
Joey Leslie	Bain Net Promoter metrics over broad customer service surveys
Jennifer Saxon	It depends on what the definition of consumer loyalty means to your brand
Mary Verdin	Measuring engagement and reach over the number of likes

Chapter 5

Discussion and Recommendations

Summary

This study was conducted in response to recent utilization of social media to increase consumer loyalty to a brand through a variety of tactics, tools, and strategies. Recently, social media marketing has become a growing trend among professionals in the marketing and public relations industries. Since the majority of case studies involved vague aspects regarding social media as a tool and the effects it has on consumers, it was essential to gather data from experts in the marketing and public relations fields regarding their opinions on successful social media marketing.

To find more information on the current tactics, tools, and strategies being utilized by professionals, experts from these fields were interviewed based on a single questionnaire designed to answer the following research questions for the study:

1. How is social media used as a means to increase consumer loyalty to a brand?
2. What specific social media tactics and tools are currently being used to increase brand loyalty?
3. How is a brand managed strategically through social media aspects including: customer relations management, crisis management, and understanding the consumer's needs and wants?
4. How has marketing and public relations practices changed over time?
5. How can the success of consumer loyalty to a brand be measured?

These research questions were slightly altered in ways to create applicable questions for the interviews with each respondent. The questionnaire provided a wide array of opinions and responses in relation to the literature on social media marketing.

Discussion

Conclusions can be made regarding the following original research questions due to the connections made between the analyzed data collected in Chapter 4 and the existing literature found in Chapter 2.

Research question 1: How is social media used as a means to increase consumer loyalty to a brand?

Each expert responded by discussing their perspectives on the significant aspects that encompass social media as a medium for communication with consumers. Each expert expressed social media as way to communicate effectively with consumers who attach themselves to your brand and provide them with something valuable to ignite loyalty. Saxon described social media as a way to measure and track word of mouth.

The literature reflects this popular theme. "Social media is the most cost effective and easy to use platform to communicate and share information about brands, businesses, new products and services, events and anything else" (Khan and Khan, p. 4).

Overall, it is possible to conclude that social media marketing can be used to increase consumer loyalty through its ability to communicate directly with fans and consumers. For the first time, consumers feel that their feedback is being appreciated and listened to through real time communication methods on social media sites.

Research question 2: What specific social media tactics and tools are currently being used to increase brand loyalty?

When the experts were asked what tactics and tools they use to increase brand loyalty, similar strategies were reflected throughout. All respondents stressed the importance of content generation and customer service practices to build engagement, which in turn leads to loyalty. Examples included facebook and Pinterest sweepstakes and contests to provide a fun way for fans to interact with the brand.

The literature includes customer service as a tool to increase consumer loyalty to a brand. Sashi states that, "the evolution of the internet and in particular the emergence of social media with its enhanced ability to facilitate interaction between buyers and sellers has captured the interest of managers seeking to better understand and serve their buyers using these technologies and tools" (p.255).

Overall, contests, sweepstakes, engaging content, and customer service strategies should be used continuously to foster engagement between users and brand. Once this relationship has been established through these techniques, loyalty will follow.

Research question 3: How is a brand managed strategically through social media aspects including: customer relations management, crisis management, and understanding the consumer's needs and wants?

When the experts were asked to briefly describe the management of a brand through customer relations management, crisis management, and understanding the consumer's needs and wants, each responded with different insights, but answers tended to pattern a trend of planning ahead. Some strategies included actively listening to what the consumer wants, being proactive

to prevent a crisis, using an automated tool to measure feedback, and of course utilizing social media for all three of these crucial aspects pertaining to public relations and marketing.

The literature stresses these strategic aspects as well to effectively managing a brand. "The more effectively a company responds to complaints and positive feedback posted online, the more quickly they will demonstrate that they care about the consumers concerns, leaving customers happy and feeling as if they made a contribution to the brand" (Handley, 2012, p. 24).

Overall, consumers want their feedback and insights to be appreciated and listened to. When a brand listens to their consumers needs, wants, and dislikes through social media, they have the ability to respond. This two way communication establishes advocates for a brand whose support is crucial and necessary during a time of crisis.

Research question 4: How has marketing and public relations practices changed over time?

All of the experts expressed that the fundamental principles of public relations and marketing have remained the same, but it's the vehicle being utilized to accomplish these principles that has changed. Leslie and Saxon express the emotional connection and personal relationship that has been established through social media and how this has elicited a sense of trust in consumers. Verdin also acknowledges that the audience has expanded beyond just reporters and to the incorporation of consumers.

The literature also demonstrates how the transparency elicited through social media has a direct effect on consumer's loyalty to a brand through the purchasing of their products. "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" (Smith, 2011, p. 19).

Overall, social media has allowed companies to maintain an open and honest relationship with their consumers. This relationship fosters consumers' excitement to try and even buy company products, attend promoted events, or just remain loyal in a general sense to a brand. If this relationship is maintained then the benefit of this new platform, transparency with a new audience, will contribute to an increase in consumer loyalty.

Research question 5: How can the success of consumer loyalty to a brand be measured?

While Leslie prefers a specific tool, the Bain Net Promoter, Verdin enjoys using facebook insights to measure engagement and reach. Saxon believes measuring success is ambiguous and the definition has to be clearly defined by a company in order to understand and determine if those measures have been reached.

The literature provides a pattern of measurements often used within the marketing and public relations fields to gain further insight into success. "Brand loyalty generates from: a substantial entry barrier to competitors, an increase in the firm's ability to respond to competitive threats, greater sales and revenue, and a customer base less sensitive to the marketing efforts of competitors" (Delgado-Ballester and Munuera-Aleman, 2001, p. 1238).

Overall, measuring the success of consumer loyalty to a brand is extremely subjective and ultimately based on what the company wants to achieve from the utilization of social media. In some cases this is seen as an increase in sales, engagement rates, and number of likes.

Recommendations for Practice

After completion of the study, substantial data has been collected and analyzed on the topic of using social media to increase consumer loyalty. Given the information obtained, it is important to highlight the most important content and present it for future marketing and public

relations industry professionals. Some recommendations for using social media include communicating with consumers in an open and honest way to better understand their needs, create engaging content to generate more loyal fans, establish personal relationships with consumers through effective customer service strategies, and determine measurements of success to gauge whether or not goals have been met or reached.

Study Conclusion

In conclusion, given the general findings of the study, thorough and qualitative research should be conducted regularly on the topic of social media and consumer loyalty. Since this medium is being utilized at increased rates, routine data collection and interviews should be performed to better understand social media's effect on consumers. Overall, the study presented the collective opinions of experts within the fields of marketing and public relations and a review of literature on the current topic. The results gathered were opinion based, therefore the study and overall recommendations for using social media to increase consumer loyalty to a brand cannot be applied to all individuals and professionals in these industries. However, the study conducted can serve as an educational tool for marketing and public relations professionals who are interested in strategies, tactics, and tools utilized within social media to increase brand loyalty.

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Appendix A

Interview Transcripts: Joey Leslie

Interviewer: Lindsey Julian
Respondent: Principal of StudioGood Digital Marketing Agency
(Joey Leslie)
Date of Interview: 5/29/2012

Lindsey Julian: "How would you, as an expert in your field, describe social media as a means to increase consumer loyalty to a brand? Please give an example of when the utilization of social media led to an increase in brand loyalty."

Joey Leslie: "Social media allows consumers to attach themselves directly to brands. Effective management of a brand's social graph takes advantage of these consumers by providing them with something they deem valuable. When consumers discover value, they are more likely to share their enthusiasm with their networks. The real power of an effective brand's social graph is in the reach of their consumer's networks. Consumers will trade their time, talent and treasure for things they find valuable. Examples could include: recognition, prizing, cause, information, specialization, gaming, music and celebrity. Consumers that expect and discover repeatable value from a brand become loyalists and advocate unannounced on behalf of a brand. Since early 2008, our shop has created and managed the digital cause-marketing campaign for Electrolux benefitting Ovarian Cancer Research Fund. The campaign is called Kelly Confidential and leverages the celebrity of Kelly Ripa to engage consumers, increase awareness, brand loyalty and purchase intent among targeted consumers (HHI $60k+, Female, Some College, 30-55 y/o). The campaign refreshes eight times per year and increases consumer loyalty in the following ways:

- Engaging social games that result in sharable content (gaming)
- Launch events with Kelly Ripa that produce digital content (celebrity)
- Each action is an entry to win appliances (prizing)
- Social sharing increases the chance to win (prizing)
- Each entry to win is also a donation to OCRF (charity)
- Partnerships with influencers (specialization)

Results (1/2010 to current)::
- $1M raised for OCRF
- 2.2 billion impressions
- 3.1 million visitors
- 1.5 million user actions
- 500,000 + user community"

LJ: "What are some specific social media tactics and tools currently being used in your field to increase loyalty to a brand?"

JL: "Facebook Prizing – coupons, giveaways, sweepstakes, contest; Cause – micro-donation per user action (like, tweet, watch, share); Content – brand generated and/or aggregated content of value; Customer service via social; Mobile optimized content/emails; Specialized influencers (sports/mommys/chefs/designers); Pinterest"

LJ: "How do you use social media to manage a brand strategically through: customer relations management, crisis management, and having an understanding of the consumer's needs and wants?

JL: "Provide easy access for CSR; Active customer service per established plan; Active listening (targeted broad and focused / sentiment / trends / influencers); Proactive – push content / engage loyalists / respond to all reviews."

LJ: "In your opinion, how has marketing and public relations practices changed over time? Have these changes hurt or helped communication with consumers? Why?"

JL: "Strategically, the major shift in Marketing/PR has been the move towards truly integrated (or holistic or 360) marketing. Tactics will always change. Platforms will always change – but informing, influencing, infatuating consumers is the same now as before social media. Tools have changed. A smaller, but growing shift has been the accessibility of metrics and better ROI. Changes have created more consistent and approachable messaging, especially in social. More accessible metrics along with direct consumer input have sped up the release cycle of messaging. Overall a positive for consumers (they feel heard and valued) and for brands (they get quick feedback and truer measure of ROI). One large and unaddressed downside to social/digital changes is the “social squeaky wheel." Too much power is given to lone voices of discontent. Especially when many influencers are seeking to “make their social/blogging bones” by bringing down a brand. American Airlines does it right. Jessica Gottlieb is the perfect example of a Fauxtraged Blogger."

LJ: "How would you measure the success of consumer loyalty to a brand? Please provide examples."

JL: "I would always prefer the Bain Net Promoter metric over broad customer loyalty surveys or research. Especially in social/digital."

Appendix B

Interview Transcripts: Jennifer Saxon

Interviewer: Lindsey Julian
Respondent: Communications Team Manager at MINDBODY
(Jennifer Saxon)
Date of Interview: 5/24/2012

Interview Transcription:

Lindsey Julian: "Question number 1 is: How would you as an expert in your field describe social media as a means to increase consumer loyalty to a brand?"

Jennifer Saxon: "Well social media is for the first time the ability for people to have a measurable, track-able channel for word of mouth and word of mouth has always been something that's very hard to track. It was more, you just trusted that you had this great reputation, you made sure you were in all the right publications, you made sure that the journalists who were most trusted were talking about you, and figured as long as these third-party sources are praising you then you have a good enough reputation and word of mouth will spread that way. But now with social media, you are now hoping that people who don't know your industry, but are clients or perhaps friends of clients, or just walked past somebody talking about you on the street, are going to have a good enough impression of you to spread that word. But it also means, and one reason why corporations can get nervous about social media, it's also a much more open forum for people who don't have a good experience with the brand. And depending on the kind of corporation you are, that discomfort level may be enough to keep you out of social media. You know if you're a company who maybe does mostly contracts with government, do you really need a strong social media presence or are you just kind of getting yourself into trouble because you have consumers out there who may be talking about you who aren't actually your consumers, but are just hearing these things in the media and just want to have this open forum to discuss it. But, if your target audience is mostly consumers, general public, or business to business consumers who are active on those platforms, then you should be on them and you should be monitoring them. I mean it's exciting because it's the first time people have had a chance to actually see what people are saying about them, good or bad, and transparency is much more important now then it has ever been before in keeping loyal clients and keeping loyal fans of your product or your brand and if you have a strong enough following it's that transparency that will help you when things go awry. So, say you have a product that didn't fail horribly bad, people didn't get hurt maybe it just didn't work right, people can be very forgiving if they feel that you are a very open and trustworthy brand. But, if you have been closed off from them and things are happening and you aren't commenting about them, people will turn on you very quickly and it will become very verbal all over the internet. So, it's a very tricky line. If you're going to embrace social media, you have to embrace social media because we have to be prepared to respond to people. I think just engaging with people will increase your consumer loyalty. Engaging with people in an honest, open, and transparent way will build trust and loyalty follows trust and if a consumer can't trust your brand or company they can't trust that you're going to deliver on the promise of your brand, then they will not be loyal to you."

LJ: "And could you give an example of when the utilization of social media led to an increase in brand loyalty? It doesn't have to be with MINDBODY specifically, but any example you can think of."

JS: "Let's use an example from MINDBODY. So MINDBODY being completely in the cloud means that our clients in order to access their business sites, have to log in through our portal which is also in the cloud. And even though we aren't a very big company in terms of a well known brand like Coca-Cola, or anybody you would think would be a target for online, what's called distributed denial of service tax, if you followed any of the anonymous things where anonymous has been taken to the CIA website, anonymous has done this. Well we actually had this happen to us almost a year ago, last summer, and for four days we were under attack from who we don't even know who it was. They directed so much traffic to our website that legitimate clients couldn't access their sites, so for four entire days spanning a weekend, fitness studios, yoga studios, pilates studios, spa places, massage parlors, you know you name it they couldn't actually access their business data, they couldn't check people in, they couldn't take payments. Now, granted they all should have had a plan B because you don't put everything on the internet and then not be able to run your business if the power goes out, but many of them didn't. They had bought into the idea that we were there to solve all their problems and so they just went with MINDBODY, they didn't have to have a plan B. So they know better now. But, because we have always been a very open brand and we have always been a very caring brand about our clients and because we were successful at establishing that relationship, it took two and a half days into those four days for the majority of our clients to start being really upset about it. So, you have clients who can't actually run their business, but during that they're posting on social media to us, "Hang in there, we know you guys are going to fix this soon. We love MINDBODY. This is terrible this is happening to you." It would have been great if we could have figured this out in two days instead of four because nobody could last that long without getting upset, but the fact that it took them two and a half days before the majority of people started being really upset with us says a lot about the brand loyalty that we have and social media played a huge part in that. We, on purpose, talked to people on social media when that happened. We've actually since then set up a few more regulations than we had before because there was a little too much conversation happening on social media. People tend to use social media as a platform because they think they are anonymous and can say whatever they want. In that way it can be kind of dangerous, but because it was just played out on facebook the entire four days, people could just follow what people were saying and what we were saying, it helped us in some ways. It did take us a long time to recover, but I think now that we haven't had a problem that has lasted that long since, people are starting to trust us again at the level they did before that happened. Chances are if it ever happens again, they will probably trust us even more because they'll know that it will end eventually. This was the first time anything had ever happened like this before, so I think social media helped a lot in maintaining that brand loyalty because we were answering people on it, we were encouraging them to go to facebook. If that were to happen again we would actually be directing people to our website to get information or we would be sending emails to them. We wouldn't be encouraging as much online back and forth, but we would be telling people what is happening on those sites. Does that answer your question?"

LJ: "Yeah, that was a really good example! So, what are some specific social media tactics and tools currently being used in your field to increase brand loyalty?"

JS: "Well there's all those sites. So you know facebook, Twitter, pinterest is more like a content sharing site so if you had some great graphic content it would just be an additional way to build brand awareness. So tactics for social media would be things like I said the content generation, so creating things that people want to share or creating things that give them added value; in our case giving them things that help them to run their business in a better way, it doesn't necessarily have to do with our software. For instance, one of our more popular pieces of content that we create is how to information on how to participate in social media because our clients are small businesses, most of these people became yoga studio owners or fitness studio owners because they love doing that; they love fitness, they love dance, they love yoga, they were instructors and they wanted to be able to spread that teaching further. They very rarely if ever got into the job in order to run a business and most of them rarely got into that job to spend that time on the computer and post to social media sites. So what we do is we provide them the how to's on how to do that in the most efficient way possible so that they can get back to doing what they want to do, which is be with their clients. So it's all about content right now for us, you know we do facebook sweepstakes and pinterest contests. Those type of things keep people engaged and having fun. That by itself doesn't necessarily build loyalty, but it builds engagement and the more they engage with you the more they see the other things that you are doing, then the loyalty comes after that."

LJ: "How do you manage a brand strategically through customer relations management?"

JS: "So what do you mean by customer relations management?"

LJ: "So basically customer service posts, responding to their needs and wants."

JS: "We actually we use a tool that is a somewhat automated tool whenever we have a customer service call, we send a survey to them to ask them how their experience went and when they fill that out, the tool that we use is able to determine the net promoter score. So how many of these folks gave us a nine or a ten out of ten and those are the groups that we call our net promoters, so they essentially are our key people who can possibly become evangelists or advocates for our brand. It also gives scores all the way down to zero, so depending on where you fall in that range, say you're a one, we will actually call you and find out what didn't work for you in terms of either the customer service that we provided to you or the customer service didn't solve your problem, what is the problem, maybe we can solve it some other way. So depending on the feedback that we get from that particular tool we can know if they need a call back. If they are a seven or an eight, depending on what their comment says, we might e-mail them or send them to a particular department they might be having an issue with and see if they want to be responded to that way. That's one way we respond to customer feedback, we also have a very large tech support team since it's software people are using, it's very hard for people to know our software inside and out since they didn't develop it. So often times they are trying to do something with the software and they just can't figure out how to run a specific report or where to put specific kinds of information. We get a lot of customer service calls and we actually have a team of 40 to

50 customer service people who are just there to answer the phone. It's really important to us to have people on the phone, we don't send people to India, we don't send people into a huge matrix of press one for this press two for that, we really want people to feel like we care about them so getting them to a human as fast as possible is very important to us. That has helped build loyalty because our customer service far outdoes our competitor's customer service in that respect. We have a much larger group of people than most software companies our size dedicated to customer service. Outside of social media, just having people there is really important to us and helps with that brand loyalty and we are very patient. We don't have a time clock where you can only be on the phone for ten minutes, we don't have quota for our customer service people so some calls will last ten minutes and some will last an hour and a half while people will try to help them through their software and try to help them solve their problems. Typically, the people who are on the phone for an hour and a half can't say enough good things about our customer service people. We get the feedback from the program that we are using, but we also get the feedback from customers who just go out of their way to e-mail us or post it on facebook. We also use facebook to post on our client's sites. Say for instance, we notice a personal training magazine in which our client has been named "trainer of the year" we'll post a congratulations to them and we'll send them an e-mail and they always feel so surprised that we actually noticed and went out of our way to reply to them. We use it that way to give kuddos back to them. We are also doing some campaigns very soon where we are going to be focusing on our clients more. We are moving less away from talking about us and more towards talking about our clients and we're going to be doing that through case studies and then we'll promote them on our facebook sites, we'll promote them in our blogs, we'll promote them on the website. It's really putting the attention back on what they're doing because our mission is to leverage technology to improve the health and wellness of the world and the way that we do that is by providing these people with technology so that they can improve the health and wellness of their clients, so we need to focus more on them and what they're doing. We'll be using those kinds of campaigns a lot more and social media will play a huge part in that.

LJ: "Ok great. How do you manage a brand strategically through crisis management?"

JS: "Well you know we jumped over the fire on that one and we learned a lot. We learned that you probably don't want to have the entire conversation on facebook. Facebook timeline has helped because now you can have direct messages with your clients. Say somebody posts on your facebook, now you can send them a direct message and take that conversation offline, which is really important because some people just can't stop talking about something that's really bothering them. We have profanity filters on our facebook and we have all sorts of filters to try and limit the poison that people can spew on social media and it's more to keep a professional atmosphere than it is to censor what they're saying. Honestly, if somebody had a huge problem with us and they just kept it clean, it would stay on facebook, but a lot of people get so upset that they have to throw in explicit language and then it gets thrown into the filtered columns simply because they weren't careful about the words that they chose to use. Sometimes our CEO will go on facebook if there are some particular posts where people are making accusations that are absolutely not true. That can be dangerous too, unless he's on facebook through the corporate site. In the past, he's gone on through his personal site, which then provides instant access to the CEO which isn't necessarily a good idea. We learned over that four day time span that you have to have a plan. You have to include social media in your plan.

We have a much more detailed client communications plan for when something goes wrong than what we had before and a lot of times unfortunately, I mean it's always a good idea to have a plan, but until it happens, especially with social media you don't really know what the red flags are going to be and what the dangerous zones are. So we kind of aired on the side of just saying everything on facebook and if you're going to air on a side it's probably a better side than to say nothing, especially with our clientele. One thing that doesn't work is to try and impress upon people that you're having a bad day too, so while they can't run their business you've got 300 people who are trying their best to help people out and they are dealing with angry customers all day long and they have been doing it for four days... Nobody cares about any of that. At first we thought, well we got yoga and pilates clients maybe they'll be more willing to understand, no not really. Maintaining a professionalism is paramount for a company during a crisis. You have to be really careful because not only is your intended audience looking at you on facebook, but so is your competition, so it's very much an open, unguarded conversation and to protect the security of your company depending on what you do to protect your reputation you have to take as much sensitive information because you don't put it on facebook and you have to take the touchy conversations offline as much as you can and you have to have someone monitoring it all the time."

LJ: "How do you manage a brand strategically through understanding their needs and wants?"

JS: "The great thing about social media is you can do research through it. A lot of the contests we do tell us a lot about our clients so while they're fun for our clients, a lot of times there are things like "tell us how you redesigned your location and how it improved x, y, z," so we'll actually try to do questions that tell us a little bit more about our clients through our social media. All social media sites come with their own analytics as well, so not only can you conduct on purpose research, but then you can also look at these sites analytics and see how people are just using them so that you can see where people are coming from and determine are they coming from places where you're marketing from. Is your marketing working or are you spending your money on sites and browsers that aren't working? Do you have a lot of people coming from mobile, and if so are you optimized for mobile and if not you need to be if you have a lot of people coming to you from there? Not only can you conduct research through social media, but the social media sites themselves tell you a lot about your consumers behavior. Youtube actually has an analytics where you can see the volume of viewership depending on a specific point in your video so you can see where the vast majority of people might be stopping and rewinding to see a specific part of your video more often. You can also see where people drop off. Say you're halfway through your video and your topic shifts a little bit and halfway your viewership leaves during that point in your video, you know that's the content they don't care about so you shouldn't do more of that content you need to do more of what they're actually watching and want to rewind and things that they forward to people. It tells you a lot about the kind of content you create that resonates with them. They also just tell you using social media, what they need and what they want. You can ask them too, but you also have to keep in mind that not every person in your target audience is on social media. It's a tool, but not a replacement for a lot of the other things."

LJ: "In your opinion, how has public relations and marketing practices changed over time? Have these changes helped or hurt communication with a company's consumers and why?"

JS: "What's interesting is companies tend to be slower to adopt new technology than their consumers are and so what happens is their consumers expect a kind of communication that's related to new technology before corporations are ready to do it. So say 50 years ago when there wasn't social media and there wasn't the internet, companies could build brand loyalty by just making sure they built a really good product and making sure that they talked with the reporters who were considered to be the leaders in the industry and they sponsored the right events and they were just seen in the places they wanted to be seen and so as long as all those things were happening and these third party reporters were praising their services then they figured their reputation was strong and their brand loyalty would be strong. This was also a time when people stayed at companies for 50 years and they had more loyalty to a brand. Now, because there is so much competition there really is no reason for you to... Now, there are very few products that are light years better than another product, there are some, but it's typically not now the product that's going to create the brand loyalty, but it's going to be how you're treated by that company that's going to create the brand loyalty. It's very much an emotional connection that you have with the company that creates that loyalty and that trust. Social media has helped with that because you have to be more transparent now and you have to communicate with your consumers more now if you're going to be on those channels. You have more access to a company now than you ever did before and they are more vulnerable now than they ever were before, but they also have a lot more competition than they ever did before, so it's really how do you deliver on your brand promise and build trust in your company and be transparent at the same time? It's just all about honesty. People value that a lot more now, I think. It's hard to say if I'm just judging from San Luis Obispo's point of view. There's not this mystique about brands anymore. It's also very much about the people. It's not so much about Ford Motor Company, it's about Henry Ford. It's a very different thing, people wanting to see the humans behind the company. Whatever came first the chicken or the egg? Social media or transparency? It's all wrapped into it now, so consumers are expecting people to communicate with them through methods that are convenient to them and not methods that are convenient to the company. That means the company can't just have an e-mail account or a company can't just put things on billboards, the company has to communicate with their consumers where their consumers are and not expect their consumers to come where they are. It's much more a buyers' market."

LJ: "Ok, and last question. How would you measure the success of consumer loyalty to a brand and can you provide an example?"

JS: "Well I think it depends on your measurement of success. What does the company think of as success? If it's we sold more widgets this year than we did last year, you can track it through online sales and things like that. If that's your definition of brand loyalty, you know, more people are buying your stuff. If your definition of brand loyalty is that more people are recommending you...We do a lot of tracking at MINDBODY where we actually ask people who buy our software, how they heard about us and if they heard about us from another client, we will actually give the other client money for being a referral. So, if brand loyalty means that you have created advocates for your brand who are referring you, you can track that and find that out and as that grows, then obviously the success of that has grown. If you're having a crisis and the vast majority of your clients stay with you and not only stay with you, but post encouraging remarks and actually post remarks to people who are not being kind to you and telling them to

stop it, you know that's a measurement of success there that you have people defending you, you don't even have to defend yourself. So it really depends on what that definition of consumer loyalty means to you."

LJ: "Great. Thank you. This was a very interesting interview."

Appendix C

Interview Transcripts: Mary Verdin

Interviewer: Lindsey Julian
Respondent: Founder and Principal of Verdin Marketing Ink
(Mary Verdin)
Date of Interview: 5/31/2012

Lindsey Julian: "The first question is: How would you as an expert in your field describe social media as a means to increase consumer loyalty to a brand? Please give an example of when the utilization of social media led to an increase in brand loyalty."

Mary Verdin: "Ok. I remember reading that one and the one that came to my mind was one of our clients who is a restaurant, Old Juan's Cantina, and they are very unique, they are in Oceano so south county, they have a huge following by tourists during the summer months and the three day weekends they are always really busy, but they are fortunate in that they have a very strong local audience. The locals know if it's Memorial Day weekend, I'm not going to go down there because I'll have to wait in line for 45 minutes, but if it's the week after they think let's go there for dinner. So their business year-round is always really good. When we started working with them they did not have a website, they had a facebook page so the first thing we did was get them a URL and have it point to the facebook page so there was at least some kind of online presence, a place that we could link to their menu, all these things. Then, we looked at their facebook page and they were doing what a lot, I mean every client I think we've ever had, if they've already had a facebook page they didn't have any strategy behind it. So what they had was you know, I know how to do this I have my own personal page so I'll just go on there and post stuff, but it didn't tie back to what they were trying to do as a company. So I think what we've been able to bring to all of our clients whose facebook page we manage is that two way communication and I think that's where the loyalty piece comes in. It's not like advertising where you're saying, "buy this, buy this, buy this, here's why it's the best" and I've seen statistics as well as 14% of people believe what they read in an ad because they know you're paying to say whatever you want to say. So of course you'll say you're the best because you want me to buy it and so the credibility of advertising has really gone down and maybe in direct connection with the credibility of social media because people will always trust a friend or somebody they have a connection with more. So I think it's that third party endorsement, which is Public Relations, which is a huge part of what we do for clients, is the Public Relations element. I think that's a lot of it and I think it enables, I mean look at someone like Coca-Cola who has 23 something million likes on their page, they can now have a more personal relationship with people even though they don't really know you Lindsey, but if you post something somebody can post something back, somebody can like that, and it makes you feel more on board with them in terms of the brand. So with Old Juan's we're actually in the middle of writing a case study for Old Juan's, but they've had a lot of success even with the economy being down. They have like 11% year over year increase overall. We have in here, facebook likes increased by 182% in eight months, that's when we started working on it, facebook engagement increased by 509%, so it shows that and different industries are going to have different levels of engagement, but a restaurant, a tourism client, something fun that people want to do gives you the potential to have really high

engagement. We've heard just from the research we've done, like on Yelp, if you increase stars by one, so if you go from three to four or four to five, you're going to see about a 10% increase in revenue."

LJ: "Wow."

MV: "But they have done some studies to try and link those a little more because people always want to know about, "In spending this much, am I really getting anything back?" That's always been the hardest thing in advertising, is how do you draw that connection for people?" So Yelp has done some studies to try and see where were we in revenues here, ok now you've increased, where are you today and is there a direction connection? And they're saying that there is a direct connection."

LJ: "Interesting."

MV: "We're going with that and hoping that's what we see for Old Juan's. But so does that answer your question? Two way communication I think is the big thing and one of the fun things for me has always been going in to talk to a new client who thinks they're coming to us for advertising and suddenly we are doing that advertising, but then suddenly we're also doing public relations and they didn't know anything about, "Oh we can send out a press release and suddenly there's a story on us in the paper that we didn't even have to pay. They just run it?" And that carries ten times more credibility than an ad and social media is doing that same thing just on an exponential scale."

LJ: "That was a perfect answer."

MV: "Oh good."

LJ: "So number two is: What are some specific social media tactics and tools currently being used in your field to increase brand loyalty?"

MV: "Because we are an agency and we work with a lot of different clients, it really depends on what industry we're working with. We've done for our tourism client a lot of contests and contests work great for that because people want to come here to go on a vacation. So if they live in LA and we're posting this beautiful picture of you know Cayucos they think, "Oh, I just want to go there!" If we can do something that says, "Win a three night stay in wine coast country by sharing with us your favorite event in this area. Or what's your favorite winery in this area and you'll be entered to win tickets to the harvest festival in the fall. You know we do a lot of contests with that and we see huge engagement. There's not a time that we don't post something like that where we don't get you know 32 comments immediately. So those kinds of things work well for tourism. For Old Juan's we're doing fan of the week. It's an app that we have put on the facebook page that we don't have to actually pick somebody, it's an automatic thing every week and that's kind of fun because we just pick one of the fans. We have like 2,300 fans now, and so it will just pick somebody and put their little profile picture on this you know, "Congratulations! Lindsey's the fan of the week!" People can post likes and stuff. That's been a great way to do some engagement. The polling, we do that a lot, pretty much for any of our

clients. You know we do a lot of government work, like the City of San Luis, so a couple departments have facebook pages. That's not as fun feeling to people as coming to Cayucos for the weekend. You know it's like, "Woo hoo! The office of neighborhood services at the police department." But they can put a little poll on there and say, "Hey what do you think the fine is for a noise violation in the city? Take your guess and you could win something." You know it makes it more fun for people, something that maybe could be a little more dry like the city's utility department. You know, "I pay them my water bill. Why am I going to want to read stuff on facebook?" But if they're posting that kind of content and they're doing fun things like that, we've seen a lot of response with that. I'm trying to think of what other of those types of apps we've used. Yeah I can't think of anything off the top of my head."

LJ: "Ok. So number three has three parts. The first part is: how do you manage a brand strategically through customer relations management?"

MV: "Well when I hear CRM I think of the programs we have that we help our clients with in CRM that could include social media, but don't only include social media. One of our clients is an automotive repair shop and so CRM is very important to them because they... You know if I come in there today for an oil change, they're automatically in their system. In three months they're going to send me one of these postcards that say, "Hey it's time for service!" These aren't printed on the back, but on the back it says my name, the kind of car I have, and the date I'm due. So that's a more direct marketing kind of CRM thing, but then they also do social media for that. If I go in for my oil change today, probably tomorrow or the next day, I'm going to receive an email from them that says you know, "Thank you so much for trusting us with your car. Let us know what you thought." And you can click and it takes you to an online survey where it asks you like five questions, super fast. You fill out the five questions. They want to know how they did. They want that feedback and then it allows you to write a review. Now that review goes onto a website called Demand Force. So, if searchable, if I'm online and I type in Automotive Oil Change, it can come up as a result, but it's not directly on their website and it's not directly on their facebook page. At this point there's no way to feed it. So what we do is take that information and we created a page on their website and we're actually working on having a feed to the home page, but kind of rotates through different testimonials and then we're also once a month on their facebook page we're saying, "Thanks Lindsey for your great reviews as always!" We put the reviews in there and link back. It's a way of thanking that customer. It's a way of using that third party endorsement so other people see that these people were happy. Again, it's not us saying how great we are and what great service we have. It's the customer saying that. So, I think from a CRM perspective it does the CRM piece, but it also does the kind of new business development and relationship building and people who aren't customers yet which is kind of a nice thing. You know with facebook you can get so targeted with things from you know private message that only that person sees to geo-targeting things so it's only people in San Luis. You know if you have some special thing happening just for San Luis you can say, "Just in San Luis Obispo. If you bring your car down today, here's what we're gonna do." So there's that capability too which is really fabulous."

LJ: "Ok. And how do you manage a brand strategically through crisis management?"

MV: "Crisis management. We do quite a bit of that. You know there's always a crisis when they call because nobody wants to plan for that ahead of time, although we always talk to clients about... In fact, we have a food client who actually is putting a crisis management plan together which is good because they know something could happen and they want to already be ready. But, usually like what happened a couple of weeks ago, I got a call from an attorney I know saying, "I have this client coming in, in an hour. Here's the situation. Can you come in and meet with us? He needs to know what to do when the press calls." And so it's like ok. I think people tend to...Well the first thing people tend to not want to do is to not say anything because maybe no one will find out about it if I don't say anything and if they do get asked about it they want to say, "No comments," because they feel like I'm not gonna give them all this information. And what I always try to do as a public relations consultant to them is, if the media assigns a reporter a story, they're going to get the story and if you don't give it to them, they're going to find it somewhere else. They're going to go talk to your customers and ask them those questions. Is that what you want? You know as much as you can manage the information the better. You can never control it, but you can manage it. So, we talk a lot about writing talking points, getting ready writing a press release just in case, we talk a lot about, if it's an industry like the food industry where there could be a lot of problems, it's smart to have a dark website that if something happens in ten minutes you can put up some information and put that website up immediately so if people are looking online they can see that. People forget about social media a lot and they are afraid of social media because it's not one way it's two way. It's a couple years old now, but a great example you could look up is when BP had the gulf oil spill, they were radio silent. They wanted to avoid all media, but they especially avoided social media. I think maybe because they didn't really know how to do it. Well of course everyone's talking already, whether they're on there or not. They actually had somebody who created a fake Twitter account and I think it was @BPgulfoilspill with a handle and it wasn't BP, but people thought it was and their very first post was 27 days after the spill and their very first post was something like, "We regretfully admit something may have happened in the gulf and we'll get back to you with more information." Basically what the person was saying is, this is what you might have well as said. You're basically not telling us anything, you don't want to admit you made a mistake, you don't want to fix anything, and you're not telling people what's going on. People died, we have an environmental crisis, but what's being done to fix this? It kind of took off. It had followers immediately. They had comments, I mean these really mad comments because people thought it was BP and so they were commenting back. It would be a good case study to kind of look at. Now, they've done a good job in the past six months trying to get positive content out there. So if you google "BP oil spill" you're still going to see you know some of the criticism and stories on that, but you're going to see a lot more stuff including some sponsor stuff they're paying for that talks about all the environmental initiatives they've put forward and what good guys they are which is smart. So somebody finally got in there that said, "you need to pay attention to the social media side of it." But it's a really hard one because you know depending on exactly what the crisis is you know there can be legal implications where you really can't say much, but you have to have something that you can say. I think that's why it all goes back to the planning and coming up with what are your talking points. Being really clear, this is what I can say and then saying it because you've got to say something. You can't just give it the no comment."

LJ: "So do you agree with utilizing social media then during a crisis?"

MV: "I do. I think that you have to pick and choose the right social media depending on what is going on. We have one client that we're working that has a lot of potential, it's a very controversial project they have, so we decided facebook was not a good way to go because it is giving a forum to the minority who will find any way they can to get a negative message out. But, Twitter is a great one for them because they do want to push messages out, they do want to have two way communication, but a little bit different than the facebook forum. So I think that it does play a role. I think it just depends on what the crisis is, what you're trying to accomplish, and it depends on too if you already have a facebook page you can't keep on everything's happy when you have this crisis over here. You've got to do something with it, you can't just ignore it. So that is going to require some messaging you know maybe not using it as the place where you're getting information at, maybe you're referring them to Twitter."

LJ: "And the last part for this question: how do you manage a brand strategically through understanding the consumer's needs and wants?"

MV: "Well not just with social media, but with anything we do on the marketing side for clients always starts with a plan. So you know we're big believers in the Public Relations Society of America and the format that they use is the RPIE. So we approach social media the same way. It's like what's our problem statement? What are we trying to do? And a problem statement doesn't necessarily always mean a problem. A problem statement can be: we need more people to come to this area as visitors, we need to increase tourism. That could be your problem statement. Kind of what your goal is built on. What research do we need to do to better understand the consumer, to understand the competitive landscape, to find out what the consumer wants. We're big believers in: let's not guess and testing things. I think testing is important. I think social media is a huge advantage for if you want to test something. You can throw something out there and say, "Which headline do you like best? Or, tell us why you would pick this one car repair place over another." Send that out, if you have 2,000 friends, you're going to get lots of responses back. I think social media can be used to kind of get that information for what the consumer wants, but I think there's other research as well and having some kind of understanding before you have a platform at all is important. We had a client last week who said, "ok, I think I'm ready for you guys to manage. I thought I could do it, but I just don't have time." Well, I'm working on this page, it's about science and kids and fun and sea life and she's posting something about these people having a beautiful picnic and I'm like I don't see anything about a fish in here. Maybe there was a way to tie it to what the strategy was, but there was really no apparent strategy and what the posting is all about is having something that everything ties back to."

LJ: "Ok. Question number four is: in your opinion, how has marketing and public relations practices changed over time? Have these changes hurt or helped communication with a company's consumers and why?"

MV: "I think it still goes back to the same principles. I think public relations has always been about building relationships and earned media getting your message out there in a third party endorsement kind of a way and that has not changed. It's the vehicle that has evolved. You know there's still a lot of people who read the daily newspaper of a certain demographic and in this area, I'm talking about local clients you know we want to reach those retirees. And they still

read the newspaper every morning and their SLO Journal Magazine every month when it comes in the mail. Those are still important places to have that message. One of the great things about how things have evolved online is that we use to have one audience for a press release, the reporter, now it's the consumer too because we'll send out that press release, but we're also going to post it on our client's website and that's going to be searchable information. So it could never post anywhere on the media website, but that consumer is still going to find it. So it's enabled us to get the message out more, but still going back to that same idea of earned media and building relationships. Certainly, platforms like facebook have created communities. You can have a community around a brand or a community around a cause that your brand can tie into that helps further that idea of building relationships and building them in a different way. If you look at the generations, you know you've got the baby boomers and the Xers, and generation Y or the millennials of which you are one, you know the characteristics of that group is that they are more globally conscious. I'm sure a lot of that is because of the internet. When I was in college we didn't have the internet. They are loyal to a brand where the Xers tend to be not so loyal. They jump around a lot more. There is a blur between work and play and a lot of that is because of their mobile devices. They are never off. But, then they expect more flexibility during the work part of it too. So all of these things really, you know developing a brand on facebook that's what you have to do to reach this new audience, but because they have that more global awareness in general, research tells us that there are a lot more cause marketing opportunities, which is total PR. To tie in, "Hey buy my product and I'm going to give one dollar from every sale to breast cancer research." You know there's some cause and so when somebody really wants to make a difference they think this is a brand I can support because they believe what I believe in. But, I think the evolution of PR has enabled us to tap into that better, easier."

LJ: "Ok and last question is: how would you measure the success of consumer loyalty to a brand and please provide examples."

MV: "There's a great video called The Social Media Revolution and one of the things he says in there is, "how do you measure the ROI of social media? Your brand will still be around in five years." And I think that's really interesting because it's still not super tangible, it's not saying I spent a dollar here and I got two dollars here, but what he's referring to is building the brand and the relationship and you know making strong loyalty so I think that's kind of part of that. It's just part of the whole making your brand part of someone's life. And then tell me again about the quantified part."

LJ: "How would you measure the success of consumer loyalty to a brand?"

MV: "Ok. Specifically to social media we're doing a lot with the metrics offered like on facebook sights. It use to be, and actually it still is from the consumer point of view, they look at how many likes they have. We really discourage that. You obviously need likes because you need reach, but we are really focused on engagement. If you have 1,000 likes and no one ever shares your post, no one ever comments on them, no one ever likes them, you might as well have ten likes. I've seen different numbers, but I think the most recent one I saw was like 89% of people who like a business page, never go back to that business page. So you want to be sure that if people are not deliberately going to your page, they're still seeing your content because other people are sharing it or liking it or commenting on it that know them. So the engagement

factor is huge for us. Different industries have different target percentages. We have a tourism client that we try to get to 4%. If 4% of the people who like the page are engaging with it, that's good. We know we are reaching in a month's time 500,000 people just through that page. We have almost 8,000 likes on that page so we have a lot of likes. You have to have those likes to get the reach, but you have to have the content to get the engagement and to make a difference. With us, a lot of it is about that engagement and looking at how many people are talking about it, what the reach is, and really measuring the places we're getting more likes and the types of posts that are getting the engagement."

LJ: "That's perfect. Thank you so much Mary. I really appreciate you taking the time to help me."