

IMPORTANCE OF SOCIAL MEDIA MARKETING AND ELECTRONIC WORD OF MOUTH ON BRAND AND CUSTOMER LOYALTY

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Abstract

Social media marketing is a powerful tool used across popular social media networks and businesses to achieve their branding and marketing goals. This study explored the role of social media on customer loyalty and brand loyalty. Data was collected from 107 students studying at various universities and high schools in the Iraqi Kurdistan Region. SPSS software was used to analyze the data and find out the effects of social media and electronic word of mouth on customer loyalty and brand loyalty. The study findings indicate that the social media market and electronic word of mouth have a positive significant effect on customer loyalty. For brand loyalty, the findings indicate that customer loyalty and social media marketing have positive significant effects, while electronic word of mouth has no effects on it.

Keywords: *Social Media Marketing, Electronic Word of Mouth, Customer Loyalty, Brand Loyalty, Kurdistan.*

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1. INTRODUCTION

In the hyper-connected digital environment of today, businesses are going through a tremendous transformation in the traditional consumer communication methods they have used. In recent years, the significance of social media sites has expanded when it comes to connecting businesses with the populations that they are trying to reach (Rashid, 2019; Budur *et al.*, 2024; Jaf & Rashid, 2023). Social media platforms such as Facebook, Instagram, Twitter,

and LinkedIn are no longer simply platforms for companies to distribute messages to their customers; rather, they are platforms for organizations to participate in meaningful conversations with their customers. In other words, social media platforms have evolved beyond their original purpose of simply being platforms for companies to communicate with their customers. Businesses now have access to an audience in ways that were not previously possible as a direct result of the platforms' capabilities of continuous communication and global reach (Demir & Budur, 2023; Torlak *et al.*, 2024; Rashid, 2021). As a result of the two-way nature of communication, companies are in a position to tailor the products and services they provide to the individual tastes of their customer base (Rashid & Jaf, 2023). It has surpassed its original function as an advertising platform, and as a result, social media marketing is now an essential part of customer relationship management (CRM).

At the same time, eWOM (also known as electronic word of mouth) is going through a substantial shift in the digital arena. It describes the process of spreading information about a good or service through involvement in online forums (Rashid, 2017; Budur *et al.*, 2024; Demir *et al.*, 2022). Customers' opinions and choices are being swayed more and more by this form of word-of-mouth advertising that takes place on the internet. When one takes into account the frequency with which consumers browse online reviews in advance of making a purchase, one can see why eWOM has such an evident impact on consumer behavior (Budur *et al.*, 2023; Rashid, 2023). Although social media marketing and electronic word of mouth both play essential roles in the competitive contexts of modern firms, less emphasis has been paid to their impact on customer loyalty. A customer's consistent preference for one brand over others might lead to a rise in sales if they are considered to have brand loyalty.

Problem Statement

Traditional marketing methods are now outmoded due to the meteoric rise of the internet, social media, and electronic word of mouth. As a result, businesses now rely significantly on these channels for product promotion, customer service, and audience expansion. Although researchers are starting to understand the individual effects of these variables on consumer behavior, they have yet to investigate the combined effects on brand and customer loyalty. Brand loyalty refers to an unchanging preference for a certain brand, while customer loyalty is demonstrated by ongoing commercial connections. Previous studies exploring the impact of eWOM and social media marketing on consumer loyalty have yielded conflicting findings.

Since there are so many possible ways for social media marketing and online word of mouth to interact with one another, thorough investigation is essential.

To address this gap, this research will examine the impact of eWOM and SMM on customer loyalty. Understanding the intricate network of connections between these factors is crucial for boosting brand loyalty via digital phenomena.

Research Questions

1. How do social media marketing and electronic word of mouth affect customer loyalty?
2. How does customer loyalty affect brand loyalty?

2. LITERATURE REVIEW

Social Media Marketing (SMM)

Social media marketing has gained significant traction as a pivotal component of digital marketing strategies. It has an integral role in shaping modern businesses, and facilitate customer engagement, brand awareness, and product promotion across platforms like Facebook, Instagram, Twitter, TikTok, Snap Chat...etc.

Research by Jaakonmäki et al. (2017) highlights that effective user engagement on social media platforms is instrumental to successful marketing endeavors. They argue that consumers who actively engage with brands on social media are more likely to transform into brand ambassadors, thereby influencing other potential consumers through electronic word-of-mouth (eWOM).

According to Sikandar & Ahmed (2019), social media marketing offers a unique avenue for fostering consumer trust and enhancing brand loyalty. However, DeVries (2019) claims that SMM can significantly impact a brand's reputation hence the author warns the business owners to effectively manage their campaigns on social media platforms.

Electronic Word of Mouth (eWOM)

Electronic word of mouth (eWOM) plays a crucial role in digital marketing and can significantly influence how consumers perceive a product and whether or not they decide to purchase it (Demir et al., 2021). Yang and Mundel (2022) argue that eWOM can affect both

online and in-store sales. Due in large part to the proliferation of social media platforms and online review sites, electronic word of mouth (eWOM) has gained significant traction and is now an essential consideration for marketers. Positive eWOM, according to studies by Reza et al. (2012), can improve a company's reputation and attract new customers, all of which contribute to higher levels of consumer trust in and devotion to the brand. Both positive and negative eWOM can significantly affect a brand's popularity (Demir et al., 2023).

Almana et al. (2013) found that eWOM has a substantial impact on consumers' purchasing decisions. Since eWOM is often based on the personal experiences of other customers rather than the official brand narrative, it can have a profound effect. This is why eWOM is so crucial to the success of a brand in the modern era. Therefore, businesses that aim to boost their brand's recognition and customer loyalty should have a solid understanding of eWOM and know how to efficiently manage it.

Customer Loyalty

Customer loyalty can be defined as a form of repeated business a certain customer does with a certain brand (Demir, 2024). A few factors such as satisfaction, experience, and goods and services provided by the business determine the loyalty of customers towards a specific brand. Since loyal customers are less sensitive to towards product price from a brand and they are more forgiving and can serve as a brand's ad campaigns in public they are of utmost importance to the success of a business and they are directly related to the profitability. (Oliver, 1999)

Brands and businesses must consider the factors that are directly related to the creation of loyal customers and must implement effective strategies to work on the factors such as product quality, customer services, build trust in customers.... etc. (Palmatier et al, 2006)

Brand Loyalty

Brand royalty is situations in which customers from a specific brand tend to purchase products and services from a brand over its competitors regardless of prices and convenience issues (Demir and Ahmed, 2024; Aslantas, 2024). Brand loyalty is the product of loyal customers that is in turn the product of a brand's product quality, customer service, and the brand's marketing strategies and ways through which it engages with its audiences and customers. (Chaudhuri & Holbrook, 2001; Aslantaş, 2024).

In today's digital age, the online presence of brands on social media platforms heavily influence brand loyalty, since through these online and social media platforms brands can better communicate and connect with their audiences and customers, and the same applies to customers as they are continuously looking for new and interactive ways to connect with brands. (Palmatier et al., 2006).

Hypotheses Development

Interplay between Social Media Marketing, eWOM, and Loyalty

The symbiotic relationship between social media marketing, electronic Word-Of-Mouth (eWOM), and customer loyalty has been a focal point of many research endeavors in recent years. With the advent and proliferation of social media platforms, consumers have gained unprecedented power to share their opinions and experiences related to products and services. These shared narratives significantly influence other consumers' perceptions and purchase decisions, forming the basis of eWOM. (Suhud, 2021)

Cheung et al. (2021) found a robust positive correlation between social media marketing and eWOM. Brands, according to the study, can increase their visibility and spark discussions about their products through social media. Businesses can increase their reach and influence by encouraging word-of-mouth marketing (eWOM) through the creation of a platform that facilitates the sharing of positive customer experiences.

It is worth noting that a brand's reputation can benefit from positive eWOM, but it can take serious damage from negative eWOM. In light of the potential damage that negative eWOM can do to a company's reputation, Pandey et al. (2018) argued that companies should take preventative measures by actively managing their social media presence.

Understanding the interplay between eWOM, customer loyalty, and social media marketing is difficult. Successful social media marketing strategies may inspire positive eWOM, which boosts customer loyalty, as stated by Balakrishnan et al. (2014). Indirectly, then, social media marketing's ability to generate positive eWOM may play a significant role in fostering customer loyalty.

Social media marketing has a complex role and is not always proportional to an increase in brand loyalty, as proposed by Rimadiaz et al. (2021). According to their findings, the results of

social media marketing campaigns can vary widely depending on factors like the specific industry, the audience being targeted, and the quality of the campaign's social media strategy as a whole.

Influence of Digital Marketing Strategies on Brand and Customer Loyalty

In a variety of ways, digital marketing strategies can affect consumer and brand loyalty. Consumers in the modern era are more informed, pickier, and linked than ever before, all thanks to the proliferation of online resources. Because of the intense competition in today's market, businesses must constantly adapt their marketing strategies to keep customers interested and loyal.

Mounting evidence suggests that the core of many successful digital marketing strategies customized content and user experiences—can boost customer loyalty (Aslantas, 2024). Ilyas, et al. (2021) found that using personalized digital marketing strategies to forge an emotional connection between the brand and the consumer was a crucial factor in customer retention. They argued that customers were more satisfied and loyal as a result of personalized marketing campaigns because of the value they placed on those campaigns.

In addition, studies conducted by Nuseir (2016) highlight the importance of providing value to the customer. Customer-centric digital marketing strategies, the study's authors hypothesized, would increase patronage. Additionally, they argue that integrating different digital platforms into one cohesive marketing strategy will help to fortify this connection.

An additional study confirms the significance of digital marketing, but finds that it is not a magic bullet for increasing customer loyalty. Although digital marketing can boost customer happiness and satisfaction, it is not sufficient for generating repeat business, as Adam et al. (2020) point out. Three factors are often cited as reasons for customer loyalty: product quality, customer service, and the overall reputation of the brand.

Traditional aspects remain the focus despite widespread agreement that digital marketing strategies increase brand and customer loyalty. In order to successfully establish a brand and maintain customer loyalty, an integrated approach that combines digital and traditional methods is required.

3. METHODOLOGY

3.1 Sample selection and data collection

The data collection for the study was performed by distributing printed surveys to individuals aged between 15 – 40 years. Most of the participants were university-level students. However, a very small portion were high school students. Samples were chosen randomly, and the survey was distributed over the students randomly through department student heads.

3.2 Measures

Electronic Word of Mouth; It is defined as “the believability of the product position information contained in a brand, which depends on the willingness and stability of firms to deliver what they promise.” (Erdem et al., 2006)

Customer Loyalty: A form of repeated business a certain customer does with a certain brand. A few factors such as satisfaction, experience, and goods and services provided by the business determine the loyalty of customers toward a specific brand.

Brand Loyalty: Brand royalty is a situation in which customers from a specific brand tend to purchase products and services from a brand over its competitors regardless of prices and convenience issues. Brand loyalty is the product of loyal customers that is in turn the product of a brand’s product quality, customer service, and the brand’s marketing strategies and ways through which it engages with its audiences and customers. (Chaudhuri & Holbrook, 2001, Ozer & Aslantas, 2023).

3.3 Sample demographics

Table 1 University name

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|-----------|---------|---------------|--------------------|
| American University of Iraq - Sulaymaniyah | 7 | 6.5 | 6.5 | 6.5 |
| Erbil Polytechnic Medical Institute | 1 | 0.9 | 0.9 | 7.5 |
| Kirkuk Medical University | 1 | 0.9 | 0.9 | 8.4 |
| Komar University of Science and Technology | 1 | 0.9 | 0.9 | 9.3 |

| | | | | |
|--|-----|-------|-------|-------|
| Qaiwan International University | 11 | 10.3 | 10.3 | 19.6 |
| Tishk International University | 52 | 48.6 | 48.6 | 68.2 |
| University of Halabja | 2 | 1.9 | 1.9 | 70.1 |
| University of Human Development | 24 | 22.4 | 22.4 | 92.5 |
| University of Sulaymaniyah | 6 | 5.6 | 5.6 | 98.1 |
| Wlat High School | 1 | 0.9 | 0.9 | 99.1 |
| Xaje Xan High School | 1 | 0.9 | 0.9 | 100.0 |
| Total | 107 | 100.0 | 100.0 | |

A total of 107 participants with different educational backgrounds were chosen to participate in the study. The majority were chosen from the Tishk International University (TIU) and they corresponded to 48.6% of the participants. The next large group of participants were chosen from the University of Human Development (UHD) and they encompassed 22.4% of the participants. the rest of the participants were from other universities, institutions, and high schools in the Kurdistan Region.

Table 2 Education level

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|------------------|----------------|----------------------|---------------------------|
| Highschool | 2 | 1.9 | 1.9 | 1.9 |
| University | 105 | 98.1 | 98.1 | 100.0 |
| Total | 107 | 100.0 | 100.0 | |

The majority of the research participants were students at various universities located throughout Iraqi Kurdistan Region, and they encompassed 98.1% of the participants. Only 2 participants were High School students and encompassed 1.9%.

Table 3 Participant age

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| 15 - 20 | 11 | 10.3 | 10.3 | 10.3 |
| 21 - 25 | 85 | 79.4 | 79.4 | 89.7 |
| 26 - 30 | 7 | 6.5 | 6.5 | 96.3 |
| 31 - 35 | 3 | 2.8 | 2.8 | 99.1 |
| 36 - 40 | 1 | 0.9 | 0.9 | 100.0 |
| Total | 107 | 100.0 | 100.0 | |

Regarding the participant ages, the majority were aged between 21 – 25 years old (79.4%) as shown in Table 3.3, the second large age group were participants aged between 15 – 20 years old (10.3%) and participants aged between 26 -30 years old encompassed 6.5% of the participants. only a small number of participants were aged between 31 – 35 years and 36 – 40 years which encompassed 2.8% and .9% respectively.

Table 4 Participant Gender

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|--------------------|
| Female | 57 | 53.3 | 53.3 | 53.3 |
| Male | 50 | 46.7 | 46.7 | 100.0 |
| Total | 107 | 100.0 | 100.0 | |

Table 3.4 shows the gender of the participants, females encompassed 53.3% and males encompassed 46.7%.

Table 5 Social Media platforms used by participants

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------|-----------|---------|---------------|--------------------|
| Facebook | 21 | 19.6 | 19.6 | 19.6 |
| Instagram | 67 | 62.6 | 62.6 | 82.2 |
| other | 1 | 0.9 | 0.9 | 83.2 |
| Snapchat | 9 | 8.4 | 8.4 | 91.6 |
| TikTok | 8 | 7.5 | 7.5 | 99.1 |
| Twitter | 1 | 0.9 | 0.9 | 100.0 |
| Total | 107 | 100.0 | 100.0 | |

Table 5 shows the social media platforms most used by the research participants, Instagram was the most used platform and 62.6% of the participants chose it as their go-to platform. Facebook came next and 19.6% of the participants chose Facebook as their favorite social media platform. 8.4% chose Snapchat, 7.5% chose TikTok, and only .9% chose Twitter and other platforms.

Table 6 Participant’s monthly income

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------------------|------------------|----------------|----------------------|---------------------------|
| 1,050,000 - 1,500,000 | 5 | 4.7 | 4.7 | 4.7 |
| 250,000 - 500,000 | 63 | 58.9 | 58.9 | 63.6 |
| 550,000 - 800,000 | 18 | 16.8 | 16.8 | 80.4 |
| 850,000 - 1,000,000 | 12 | 11.2 | 11.2 | 91.6 |
| more than 1,500,000 | 9 | 8.4 | 8.4 | 100.0 |
| Total | 107 | 100.0 | 100.0 | |

Table 6 shows the monthly income of the participants, majority (58.9) had a monthly income of 250,000 – 500,000 Iraqi dinars. Others had different incomes ranging from 250,000 to more than 1,500,000 Iraqi dinars.

Table 7 SM platforms favorite login time of participants

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------|------------------|----------------|----------------------|---------------------------|
| After Midnight | 8 | 7.5 | 7.5 | 7.5 |
| Afternoon | 14 | 13.1 | 13.1 | 20.6 |
| Evening | 11 | 10.3 | 10.3 | 30.8 |
| Morning | 4 | 3.7 | 3.7 | 34.6 |
| Night | 70 | 65.4 | 65.4 | 100.0 |
| Total | 107 | 100.0 | 100.0 | |

Table 7 shows the favorite times that research participants loved to use their social media platforms. The majority (65.4%) liked to use SM platforms at night, 13.1% liked to use it in

the afternoon, 10.3% liked to use them in the evening, 7.5% liked to use it after midnight, and only 3.7% liked to use them in the morning.

3.4 Reliability

Table 8 Cronbach's Alpha of social media marketing

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted | Cronbach's Alpha of SMM |
|-------------|-----------------------------------|---------------------------------------|---|-------------------------------------|---|--------------------------------|
| SMM1 | 9.953 | 10.234 | 0.411 | 0.187 | 0.815 | 0.802 |
| SMM2 | 9.393 | 8.920 | 0.578 | 0.393 | 0.767 | |
| SMM3 | 9.262 | 8.799 | 0.701 | 0.573 | 0.729 | |
| SMM4 | 9.570 | 8.889 | 0.631 | 0.514 | 0.750 | |
| SMM5 | 9.636 | 9.121 | 0.621 | 0.403 | 0.753 | |

Table 8 shows the reliability of the social media dataset, to determine whether the dataset is reliable or not, Cronbach’s alpha test was applied to the dataset. As presented in the table, the dataset has achieved 0.802 scores in the test and it's considered reliable compared to the value suggested by Taber (2018) who claims a value of 0.65 is acceptable, hence using the mentioned author’s value as a reference the value achieved in the tests supports the ideas that the SMM dataset is reliable.

Table 9 Cronbach's Alpha of electronic word of mouth

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted | Cronbach's Alpha of Ewom |
|--------------|-----------------------------------|---------------------------------------|---|-------------------------------------|---|---------------------------------|
| eWOM1 | 5.570 | 3.455 | 0.581 | 0.338 | 0.876 | 0.835 |
| eWOM2 | 5.168 | 2.481 | 0.764 | 0.646 | 0.708 | |
| eWOM3 | 5.374 | 2.991 | 0.771 | 0.643 | 0.704 | |

Table 9 shows the reliability of Ewom and the dataset has achieved 0.835 which is reliable.

Table 10 Cronbach's Alpha of customer loyalty

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted | Cronbach's Alpha of customer loyalty |
|----------------|----------------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|--------------------------------------|
| CusLoy1 | 6.991 | 4.848 | 0.506 | 0.320 | 0.740 | |
| CusLoy2 | 7.264 | 4.730 | 0.653 | 0.449 | 0.650 | 0.760 |
| CusLoy3 | 7.292 | 5.028 | 0.686 | 0.481 | 0.642 | |
| CusLoy4 | 7.462 | 5.794 | 0.421 | 0.247 | 0.771 | |

Table 10 shows the reliability of Customer loyalty, and the dataset has achieved 0.760 which is reliable.

Table 11 Cronbach's Alpha of brand loyalty

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted | Cronbach's Alpha of brand loyalty |
|---------------|----------------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|-----------------------------------|
| BrLoy1 | 8.028 | 5.103 | 0.617 | 0.443 | 0.710 | |
| BrLoy2 | 8.103 | 5.037 | 0.719 | 0.531 | 0.658 | |
| BrLoy3 | 7.766 | 5.785 | 0.543 | 0.313 | 0.748 | 0.780 |
| BrLoy4 | 8.065 | 5.496 | 0.481 | 0.253 | 0.784 | |

Table 11 shows the reliability of Customer loyalty, and the dataset has achieved 0.780 which is reliable.

3.5 Exploratory Factor Analysis

Table 12 Sample adequacy

| KMO and Bartlett's Test | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .838 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 625.264 |
| | Df | 78 |
| | Sig. | .000 |

Table 12 shows the KMO and Bartlett's test for measuring the sampling adequacy. The KMO value is .838 and the sample is considered to have good adequacy.

Table 13 Total Variance

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 5.349 | 41.150 | 41.150 | 5.349 | 41.150 | 41.150 | 2.415 | 18.579 | 18.579 |
| 2 | 1.429 | 10.991 | 52.140 | 1.429 | 10.991 | 52.140 | 2.316 | 17.818 | 36.397 |
| 3 | 1.277 | 9.827 | 61.967 | 1.277 | 9.827 | 61.967 | 2.191 | 16.854 | 53.251 |
| 4 | 1.050 | 8.079 | 70.046 | 1.050 | 8.079 | 70.046 | 2.183 | 16.795 | 70.046 |
| 5 | .848 | 6.526 | 76.572 | | | | | | |
| 6 | .697 | 5.363 | 81.935 | | | | | | |
| 7 | .532 | 4.093 | 86.029 | | | | | | |
| 8 | .446 | 3.430 | 89.458 | | | | | | |
| 9 | .379 | 2.918 | 92.376 | | | | | | |
| 10 | .294 | 2.259 | 94.635 | | | | | | |
| 11 | .285 | 2.189 | 96.824 | | | | | | |
| 12 | .236 | 1.812 | 98.636 | | | | | | |

| | | | | | | | | | |
|--|----------|-------|-------------|--|--|--|--|--|--|
| 13 | .17 7 | 1.364 | 100.00 0 | | | | | | |
| Extraction Method: Principal Component Analysis. | | | | | | | | | |

From table 13 it can be noticed that are making four variables/factors automatically and the four factors together explain 70% the research questions.

Table 14 Rotated Component Matrix

| | Component | | | |
|--|-------------|-------------|-------------|-------------|
| | 1 | 2 | 3 | 4 |
| eWOM2 | .895 | | | |
| eWOM3 | .824 | | | |
| eWOM1 | .656 | | | |
| SMM5 | | .821 | | |
| SMM4 | | .714 | | |
| SMM3 | | .702 | | |
| SMM1 | | .515 | | |
| CusLoy3 | | | .827 | |
| CusLoy4 | | | .755 | |
| CusLoy2 | | | .671 | |
| BrLoy3 | | | | .797 |
| BrLoy2 | | | | .755 |
| BrLoy1 | | | | .750 |
| Extraction Method: Principal Component Analysis. | | | | |
| Rotation Method: Varimax with Kaiser Normalization. | | | | |
| a. Rotation converged in 6 iterations. | | | | |

From the rotated component matrix present in table 17, it can be noticed that all the dimensions came together to make one factor, however, SMM2, CusLoy1, CusLoy5, BeLoy4, have been erased to provide a correct factor and they were erased because of their weak loadings. As it can be seen the weakest factor is .750 and the strongest factor is .895.

3.6 Model and Hypothesis

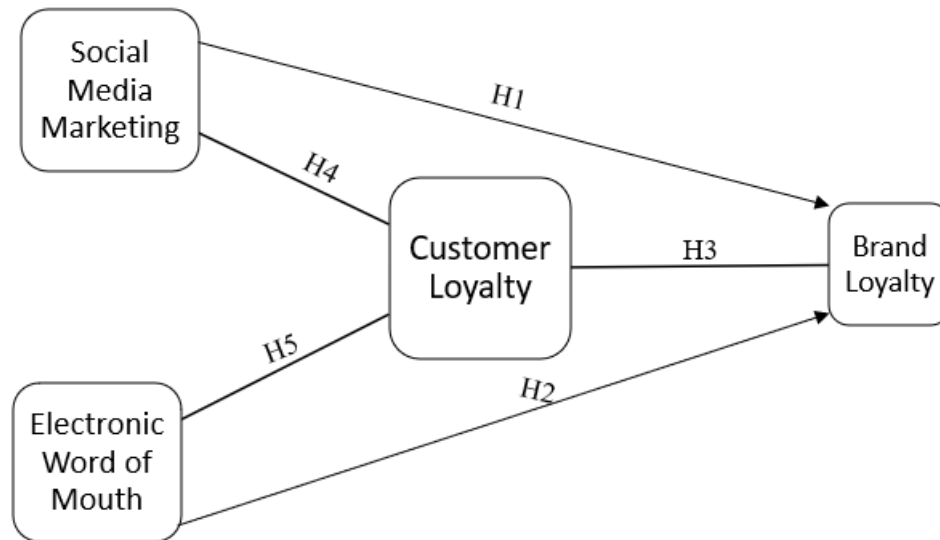


Figure 1: Model of the study

The following hypothesis were proposed based on the collected data and reviewed literature:

- H1 SMM has positive effects on Brand Loyalty
- H2 Ewom has positive effects on Brand Loyalty
- H3 Customer Loyalty has positive effect on Brand Loyalty
- H4 SMM has positive effects on customer Loyalty
- H5 Ewom has positive effects on customer Loyalty

4. RESEARCH FINDINGS

4.1 Correlation

Table 15 Correlations between the variables

| | Correlations | | | |
|--------|--------------|--------|--------|-------|
| | SMmar | Ewom | CusLoy | BrLoy |
| SMmar | 1 | | | |
| ewom | .569** | 1 | | |
| CusLoy | .496** | .532** | 1 | |
| BrLoy | .517** | .409** | .550** | 1 |
| | 107 | 107 | 107 | 107 |

** Correlation is significant at the 0.01 level (2-tailed).

Table 15 presents the correlations between the study variables. The relation between social media marketing (SMM) and electronic word of mouth is .569 and it is statistically significant as it is represented by the two asterisks (**), as social media marketing increases electronic word of mouth also tends to increase. Similarly, the relations between social media marketing, customer loyalty, and brand loyalty are .496 and .517 respectively both of which are statistically very significant, representing a moderate positive relation as SMM increases both customer loyalty and brand loyalty tend to increase. The relation between electronic word (Ewom) of mouth and customer loyalty is .532 which represents a moderately strong and significant relation, as Ewom increases customer loyalty tends to increase as well. Similarly, Ewom has a moderate positive relation with brand loyalty is .409 which is statistically significant and as Ewom increases brand loyalty tends to increase as well. Lastly, the relationship between customer loyalty and brand loyalty is represented to be a moderately strong positive correlation (.550) and statistically significant, as customer loyalty increases brand loyalty tends to increase as well.

4.2 Regression

Table 16 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|--|-------|----------|-------------------|----------------------------|
| 1 | .618a | .382 | .364 | .59367 |
| a. Predictors: (Constant), CusLoy, SMmar, ewom | | | | |

Table 16 presents the model summary in which the relations between the independent variables (Customer Loyalty, Social media Marketing, and Electronic Word of Mouth) on the dependent variable (Brand Loyalty). The results presented in the table show that 36.4% of brand loyalty is explained by the mentioned independent variables

Table 17 ANOVA

| Model | ANOVA | | | | | |
|--|----------------|--------|-------------|-------|--------|-------------------|
| | Sum of Squares | df | Mean Square | F | Sig. | Model |
| 1 | Regression | 22.461 | 3 | 7.487 | 21.243 | .000 ^b |
| | Residual | 36.302 | 103 | .352 | | |
| | Total | 58.763 | 106 | | | |
| a. Dependent Variable: BrLoy | | | | | | |
| b. Predictors: (Constant), CusLoy, SMmar, ewom | | | | | | |

The ANOVA table it is shows that the F level for the independent variables is 7.487, and significant at .000.

Table 18 Coefficients for SMM, Ewom, CusLoy, and brand loyalty

| Model | | Coefficients ^a | | | | |
|----------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .897 | .235 | | 3.819 | .000 |
| | SMmar | .315 | .099 | .313 | 3.192 | .002 |
| | ewom | .026 | .090 | .029 | .289 | .773 |
| | CusLoy | .391 | .098 | .379 | 3.984 | .000 |

a. Dependent Variable: BrLoy

Table 18 explains the impact of the independent variables (Social Media Marketing, Electronic Word of Mouth, and Customer Loyalty) on the dependent variable (Brand Loyalty). The data presented in the table shows that Social Media Marketing has significant impact on Brand Loyalty (significant at .002 and t level 3.192). Electronic Word of Mouth on the other hand, has no significant impact on Brand Loyalty (significant at .773 and t level .289). Lastly, Customer Loyalty is shown to have a significant impact on Brand Loyalty (significant at .000 and t level 3.984).

Table 19 Hypothesis

| # | Hypothesis | Status |
|-----------|---|----------|
| H1 | SMM has positive effects on Brand Loyalty | Accepted |
| H2 | Ewom has positive effects on Brand Loyalty | Rejected |
| H3 | Customer Loyalty has a positive effect on Brand Loyalty | Accepted |

Table 19 summarizes the hypothesis for the effects of SMM, Ewom, and CusLoy on Brand Loyalty, H1 and H3 are accepted according to the data presented in Table 16, however, H2 is rejected.

4.2.1 2nd regression test: Effects of electronic word of mouth and social media marketing on customer loyalty

Table 20 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|--|-------------------|----------|-------------------|----------------------------|
| 1 | .581 ^a | .338 | .325 | .59312 |
| a. Predictors: (Constant), ewom, SMmar | | | | |

Table 22 presents the model summary in which the relations between the independent variables (Social media Marketing and Electronic Word of Mouth) on the dependent variable (Customer Loyalty). The results presented in the table shows that 32.5% of Customer loyalty is explained by the mentioned independent variables.

Table 21 ANOVA

| ANOVA ^a | | | | | | |
|--|----------------|-----|-------------|--------|-------------------|--------|
| Model | Sum of Squares | df | Mean Square | F | Sig. | Model |
| 1 | 18.676 | 2 | 9.338 | 26.545 | .000 ^b | 18.676 |
| | 36.586 | 104 | .352 | | | 36.586 |
| | 55.263 | 106 | | | | 55.263 |
| a. Dependent Variable: CusLoy | | | | | | |
| b. Predictors: (Constant), ewom, SMmar | | | | | | |

The ANOVA table presented in table 21 shows that F level for the independent variables is 7.487, and significant at .000.

Table 22 Coefficients for SMM, Ewom, and Customer Loyalty

| Model | | Coefficients ^a | | | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | Unstandardized Coefficients | | Standardized Coefficients | | |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .884 | .218 | | 4.053 | .000 |
| | SMmar | .278 | .095 | .285 | 2.937 | .004 |
| | ewom | .322 | .085 | .370 | 3.809 | .000 |

a. Dependent Variable: CusLoy

Table 22 explains the impact of the independent variables (Social Media Marketing and Electronic Word of Mouth) on the dependent variable (Customer Loyalty). The data presented in the table shows that Social Media Marketing significantly impacts Customer Loyalty (significant at .004 and t level 2.937). Similarly, Electronic Word of Mouth is shown to significantly impact Customer Loyalty (significant at .000 and t level 3.809).

Table 23 Hypothesis

| # | Hypothesis | Status |
|----|---|----------|
| H4 | SMM has positive effects on customer Loyalty | Accepted |
| H5 | Ewom has positive effects on customer Loyalty | Accepted |

Table 23 summarizes the hypothesis for the effects of SMM and Ewom on Customer Loyalty; both H4 and H5 are accepted according to the data presented in the table.

4.3 Discussion

The study results clarify the effects of social media marketing and electronic word of mouth on Brand and customer loyalty in the age of digital marketing and advances in social media platforms as well as the internet.

The results indicate that social media marketing positively affect brand loyalty. This finding is parallel with the reality of social media platforms today, as these platforms serve as a medium

for brands to show off their services and engage with their customers in numerous of ways. Through active engagement with customers on social media platforms brands can achieve customer satisfaction. On the other, eWOM did not show the same influence on brand loyalty. This could be because eWOM, while influential in shaping perceptions, may not be as effective in establishing long-term brand loyalty. eWOM, typically consisting of reviews and recommendations, is highly dependent on individual experiences and can vary significantly, making it less reliable and consistent than direct brand communications, such as SMM. In addition, the study results show that customer loyalty plays a big role in fostering brand loyalty. This is true because when customers are loyal towards a specific product there is a high chance for them to become loyal towards the brand.

Regarding the effects of social media marketing and electronic word of mouth on customer loyalty, the study results showed that both factors have positive effects. It is true that the results showed that electronic word of mouth does not have positive effects on brand loyalty, however, it can contribute to customer loyalty to some point.

5. CONCLUSION & RECOMMENDATIONS

In conclusion, the research shed light on some of the important dimensions of social media marketing and their effects on businesses and companies. The research thoroughly explored electronic word of mouth, customer loyalty, and brand loyalty dimensions of social media marketing. The research findings based on collected data and results from regression and correlation tests conducted using SPSS software suggest that social media marketing positively affects brand loyalty and customer loyalty. Electronic word of mouth also positively affects customer loyalty.

Recommendations

1. Brands and businesses should consider the factors that are directly related to the creation of loyal customers and must implement effective strategies to work on the factors such as product quality, customer services, building trust in customers.... etc.
2. Brands should communicate the customers' needs through social media marketing campaigns.

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