

Loyalty program members and regular customers respond differently to social media marketing

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An international team of researchers finds that the social media messages that resonate best with loyalty program members differ from



the posts that work best with other customers. The finding could inform how best to craft social media campaigns aimed at either segment of a company's customer base.

"Loyalty programs and <u>social media</u> are both important tools in contemporary marketing, but there's very little research into how these two marketing tools interact with each other," says Mike Stanko, corresponding author of the study and an associate professor of marketing at North Carolina State University.

Specifically, the researchers wanted to know which social media <u>posts</u> make loyalty program customers more likely to purchase something, and whether there was a difference for customers who aren't part of loyalty programs.

"This could inform a range of marketing activities," Stanko says. "For example, does it make sense for a company to commit resources to developing separate social media channels for customers who are members of a loyalty program versus customers who are not? Or, if a company is committed to using a single social media channel, does it need to use different messaging to reach loyalty and non-loyalty customers?"

For the study, the researchers focused on data from a large European company. Specifically, the researchers assessed a year and a half worth of social media posts, to determine which posts led to sales to loyalty program customers and which led to sales to non-loyalty customers.

The researchers used a team of trained "raters" to assess all of the company's social media posts, scoring them on a range of characteristics, such as how intellectual, behavioral, relational and sensory they were.

"Relational" content appeals to the bonds an individual has within their



social network, such as a social media post that presents a brand in the context of spending time with family and friends.

"Intellectual" content appeals to an individual's conscious mental processes related to the practical resolution of problems, the stimulation of curiosity or the application of the individual's creativity. These would include posts that provide detailed information or engage a consumer's critical thinking.

"Behavioral" content concerns an individual's physical or behavioral actions, such as posts showing someone making use of the relevant product or using the relevant service.

"Sensory" content is designed to shock or produce a visceral response, such as posts for ski resorts that show a mountain vista, or posts from a coffee company that show colorful photos of coffee plants.

The content assessment scores and sales data related to each post were plugged into a statistical model to control for confounding variables and determine which types of posts resonated best with loyalty customers and non-loyalty customers.

The researchers found that relational, behavioral and intellectual content did well across the board. In other words, the higher a given post's relational, behavioral and intellectual scores, the better it performed for both loyalty and non-loyalty customers.

However, the size of the effect varied for loyalty and non-loyalty customers.

The researchers found that relational and intellectual posts did substantially better with loyalty program customers, while behavioral posts did better with non-loyalty program customers.



"Loyalty program customers are more apt to systematically process social media information from companies they have a relationship with—they're simply more willing to take the time to hear those companies out," Stanko says. "We think that's why loyalty customers are more responsive to intellectual and relational social media posts.

"Meanwhile, because non-loyalty customers are not necessarily focused on a specific company's social media posts, they're more likely to respond to behavioral posts. They see a post that shows someone buying a cup of coffee and they decide they want a cup of coffee."

Surprisingly, sensory posts didn't resonate with either audience.

"We speculate that there is simply too much spectacular or shocking content on social media for sensory-oriented posts to stand out," Stanko says.

"It would be good to see additional research exploring this subject to better determine how broadly these findings apply, but we think there are clear takeaway messages," Stanko adds. "For one thing, you really need to think of loyalty program customers as a distinct audience from other consumers. The findings also suggest that companies should keep track of the extent to which their social media content reflects behavioral, intellectual and relational messages.

"In terms of future directions, it may also be worth exploring how other types of content, such as sensory content, may resonate with other audiences," Stanko says.

The paper appears in the *Journal of the Academy of Marketing Science*. First author of the paper is Blanca Hernández Ortega of the University of Zaragoza. The paper was co-authored by Rishika Rishika of NC State; Francisco-Jose Molina-Castillo of the University of Murcia; and



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More information: Blanca I. Hernández-Ortega et al, Brand-generated social media content and its differential impact on loyalty program members, *Journal of the Academy of Marketing Science* (2022). DOI: 10.1007/s11747-022-00869-4

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