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## **Impact of social media advertisement on brand loyalty With reference to soft drink marketing situations in Chitwan district**

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### **ABSTRACT**

Social media advertisement has great impact on the consumers loyalty. Factors affecting brand loyalty are quality of product as well as effective and entertaining social media advertisement. In the views of consumers best social media is Face Book rather than Instagram and Messengers most liked advertisement is Coke due to it entertaining advertisement in social media.

**Key words:** loyalty, advertisement, social media, satisfaction, attitude, brand image, impact

### **1.1 Introduction**

Social media advertising has been buzz mass selling in today's marketing world. It resonates at every nook and corner of the world. It is cost effective and latest media of advertising. That's why innovative marketing and entrepreneurs are making maximum efforts how to use social media professionally and consistently to advertise their products or services?

Undeniably there is a huge potentially for social media advertising to increase massive sales not only within the country but also throughout the world. So according to hubsport, 92% of marketers in 2014 claimed that social media advertising was important for their advertisement, with 80% indicating their efforts increased traffic to their website. And according to social media examiner 97% of marketers are currently participating social media – but 85% of participants are not sure that which one social media tool are the best for advertising.

According to Napoleon cat.com there were 1,05,62,000 Facebook users in Nepal February 2020 which accounted 34.7 % of its entire population. Similarly, there were 12,80,800 Instagram users in Nepal in February 2020 which accounted for 4.2 % of its entire population. Likewise, there were 61,37,000 messenger users in Nepal in February 2020 which accounted for 20.2 % of its entire population. Considering these facts, the researcher realized that in Nepalese scenario it is proved advertisement of soft drink through the social media is most effective to make the consumer brand loyal.

### **1.2 Statement of problems**

The main problem of this research is that whether social media advertisement makes the consumer brand loyalty towards Pepsi and Coke or not. So, in this regards the researcher makes the efforts to examine impact of social media advertisement done by Coke and Pepsi make the consumer brand loyalty towards their soft drinks. So, following are the research questions

- i) What is the impact of social media advertisement on the brand loyalty?
- ii) What are the factors affecting brand loyalty?
- iii) Which one social media tool is best for advertising?

### **1.3 Objectives**

The main objective is this research is to analyses whether social media advertisement makes the consumer brand loyalty to the consumer or not. But specific objectives are as follows

- i) To analyses the impact of social media advertisement on brand loyalty

- ii) To examine the factors affecting brand loyalty
- iii) To evaluate the best social media tools in the mind of consumer

## 2 Literature review

### 2.1 Social media marketing in Nepal

For a nation striving to keep pace with technological advancement across the planet, social media marketing in Nepal is growing exponentially

In its simplest form social media marketing is the process of gaining traffic or attention to our business through media social websites. Social media marketing involves activities like posting, updates, images, and videos content that drives audience engagement. For people who want it faster engagement and bigger target audience, social media marketing offers paid social media advertising too. It is one of the most powerful tools for business to reach current and potential customers. Moreover, it simplifies a problem that traditional platforms like traditional print ads and TV commercial were never quick to solve.

The growth of social media networks has rivaled, if not, outperformed the internet itself. Facebook reach in 2019 expanded to over 2 billion that means 1 in every 4 people on the planet has a Facebook account. In Nepal alone, Facebook has a reach of 9.8 million, that means 1 in every 3 Nepali person has a Facebook account. That is just Facebook, that number of platforms are constantly growing with emerging social media networks like Instagram, LinkedIn and Pinterest. Marketing on social media has the potential to bring reward for our business, waiting loyal brand advocates and even driving leads and sales.

[www://lonetreenepal.com](http://www.lonetreenepal.com)

### 2.2 Brand loyalty and social media advertising

Brand loyalty and social media advertising have directly linked. It is because, consumers are constantly engaged in the social media and at that time advertising of company and its product are given through social media regularly. Then consumer attracted towards the company's product which ultimately makes him brand loyal.

Now a day's social media advertising is challenging to make the brand loyal to the consumers. In today's economic environment market competitions are divided into two levels-one level is competitions of the product and another level is competitions of the brands. Social media advertisers are forced to use the attention getting social media advertisement focusing the positioning of the product. meanwhile purpose of advertisement is not only to inform the consumer about product more importantly make consumer brand loyal.

Empirical research shows that the cost of attracting a new consumer is 4-6 times high than keeping an old consumers and profit from consumers with loyal. 9 times high than normal consumers. brand-loyal- consumers may willing to pay more for a brand because they perceive some unique value in the brand that no alternative can provide (Jacoby and nut chest 1987). This uniqueness may drive from social media advertisement awareness to image building of products. in summary advertising builds image of brand which creates positive attitude towards the brand and eventually consumers are brand loyal- Chaudhary Arjun- 2001 April p.8)

### 2.3 Soft drinks market situation in Nepal

Market situation of soft drinks such as Coke and Pepsi per capita consumption is not even 19 bottles per month/ however due to global exposure, foreign employment and increasing number of financial institution Nepalese consumption lifestyle is being changed and modernized. As a result, its consumption is on increase in Nepal. Numbers of soft drinks companies are increasing day by day. So Nepalese market for soft drinks have become battle of field.

Total annual sales of soft drinks in Nepalese market are estimated at some 6.5 million cases (each case contains 24 bottles). There is tremendous opportunities in the soft drinks industry in Nepal. Because there is growing trend of soft drinks in cinema halls, stadium, consumer daily travel, party festival and social gatherings.

According to sources while Coca-Cola remains its market leader position considering the size of its two plants at Bharatpur (Chitwan) Balaju in Kathmandu Pepsi has slowly and unwittingly been eating into its share in last few months cocacola market share stood at 85% two years ago, has come down an alarming 55% today's insider sources

<http://www.facebook.com-2018>

## 2.4 Research gap

However, all about research articles entail that social media has accessed to all target customers of coca cola and Pepsi. If the advertisement is done through social media no doubt that it has great impact on the brand loyalty of consumers. It is because target consumer daily visualizes the adv. of coke and Pepsi daily. But they don't find out that how to measure the brand loyalty of consumer through social media? This effort is made to measure the brand loyalty of consumer towards Pepsi and Coke through this research. Moreover, which one is the best social media tool that is found out through this research.

## 3 Research methods

Qualitative and quantitative research are used. Survey research design is used. A self-administered questionnaire is used and some are used to examine impact of social media for making brand loyal towards soft drinks such as coke & Pepsi

### 3.1 population and sample and sample size and design

Sample size is 200 students of Balkumari College of MBS level and BBS level students and Balkumari Campus of BBA level students among them 100 students are selected as sample who consume soft drink either Coke or Pepsi. simple random sampling is used as sampling design because data are homogeneous in nature. It is noted that 100 questionnaires are distributed but 90 questionnaires are received having filled up.

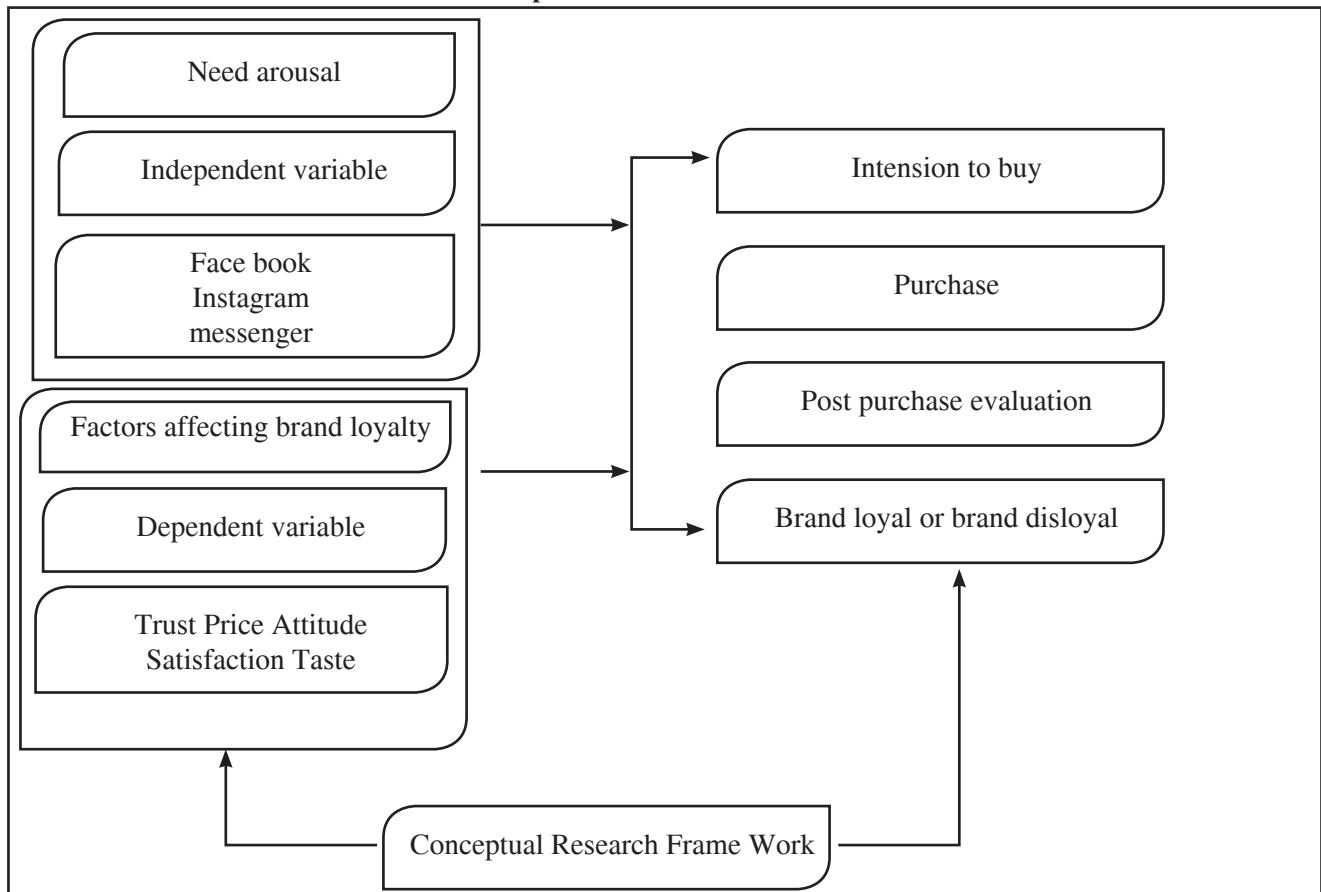
### 3.2 nature and sources of data and instrument of Data collection

Primary and secondary data are used. The sources of data are primary and secondary. primary data are collected from the questionnaire and secondary data are collected from books, journals, article in Google form.

### 3.3 methods of analysis

Analysis methods are both descriptive and quantitative. In this method percentage, pie chart, hypothesis, bar diagram is used for analysis of data through Excel software program.

#### Conceptual research frame work:



## 4. Discussion and results

**Table-1: Demographic profile of respondents**

SN	Variables	Response	N	Number of Respondents	Percentage
1	Gender	Female	90	48	53.33
		Male		42	46.67
2	Age	16-25 years	90	64	71.11
		26-35 years		23	25.55
		36-45 years		1	1.11
		46-55 years		2	2.22
		Above 55 years		0	0
3	Education	High School	90	3	3.33
		+2		13	14.44
		Bachelor		44	48.88
		Masters		25	27.77
		Above Masters		5	5.55
4	Profession	Students	90	54	60.0
		Farmer		3	3.33
		Business man		0	0
		House Wife		2	2.22
		Job Holder		31	34.44
		Others		0	0
5	Income	20,000- 40,000	90	48	53.33
		40,000-60,000		17	18.88
		60,000-80,000		13	14.44
		80,000-1,00000		8	8.88
		1,00000 above		4	4.44

Source: Field survey- 2077

Out of 100 customers respondent administered during study, the survey received response from 90 respondents. It has posted 90% response, a satisfactory success-rates.

Above table shows that population of respondents are 53.33% of female and 46.67 of male. Similarly, 71.11% of respondents are age group of 16-25, 25.55% of respondents are age group 26-35, 1.11% respondents are 36-55 age group and 2.22% of respondents are age group and above 55 age of respondents are 0%.

Similarly, on the basis of education minimum number of respondents are high school level i: e 3.33% and maximum number of respondents are bachelor.

Maximum percent of respondents are students i:e 60% and minimum number of respondents are business man i:e 0%

Similarly; maximum respondents i:e 53.3% of income group Rs. 20,000-40,000 and minimum respondents i:e 4.44% of income group above Rs 1,00000

**Table 4.2 Respondents having social media account**

Social Media	Number of Respondents	Percent
Yes	86	95.6
No	2	2.2
May be	2	2.2
<b>Total</b>	<b>90</b>	<b>100</b>

Source:field survey -2077

Above table indicates that maximum respondents i:e 96.6% have social media account and minimum percent of respondents i: e2.2% may have and may not have social media account.

**Table 4.3: Respondents having different social media account**

Social Media	Number of Respondents	Percent
Facebook	55	61.1
Instagram	10	11.1
Messenger	25	27.7
Other	0	0
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: Field survey- 2077

Above table states that maximum respondents i: e 61.1% have face book account and minimum respondents i: e 11.1 have Instagram account.

**Table 4.4: frequency of using social media account**

Reasons	Frequency	Percent
Never	0	0
Occasionally	5	5.55
Sometimes	34	37.7
Often	17	18.8
Always	34	37.7
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: Field survey- 2077

Maximum percent of respondents i: e 37.7% use social media always and sometime and minimum percent of respondents i:e5.55% use occasionally

**Table-4.5: respondents' views for best media of advertisement**

Social Media	Frequency	Percent
Facebook	58	64.4
Instagram	22	24.4
Messenger	10	11.11
Other	0	0
<b>Total</b>	<b>100</b>	<b>100</b>

Sources: field survey 2077

Maximum percent of respondents i:e64.4% view that face is the best social media and minimum percent i:e 11.11 respondents assume that messenger is the best social media for advertisement.

**Table-4.6 Consumption of Pepsi and coke**

Response	Frequency	Percentage
Yes	71	78.8
No	10	11.2
Maybe	9	10
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: Field survey 2077

Above table indicates that maximum percent of respondents i:e 78.8% consume Pepsi and coke and least percent i:e 10% may consume Pepsi and coke.

**Table-7: Visualization of Pepsi and coke advertisement in social media**

Response	Frequency	Percentage
Yes	79	87.7
No	4	4.5
Maybe	7	7.8
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: Field survey-2077

Above table shows that maximum percent respondents i:e 87.7% visualize Pepsi and coke advertising in social media and least percent of respondents i:e 4.5% do not see the advertisement of coke and Pepsi in social media.

**Table-8:most liked advertisement**

Response	Frequency	Percentage
Pepsi	5	5.5
Coke	47	52.2
Both	32	35.6
None of them	6	6.7
	<b>90</b>	<b>100</b>

Sources: field survey 2077

Above table spells out that maximum respondents i:e52.2% liked coke advertisement and least percent i:e5.5% liked Pepsi advertisement.

**Table -9:reasons for liking those advertisement**

Responses	Frequency	Percentage
Informative	31	34.4
Entertaining	39	43.4
Persuasive	16	17.8
Reminding	4	4.4
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: field survey 2077

Above table indicates that maximum percent of respondents i:e 43.4% liked entertaining advertisement and least percent i:e 4.4% liked reminding advertisement.

**Table-9: Belief of social media advertisement**

Response	Frequency	Percentage
I believe fully	3	3.4
I don't believe	6	6.7
I don't know	2	2.2

I don't believe at all	9	10.1
I don't believe so much	18	20.2
I believe to some extent	52	58.4
	<b>90</b>	<b>100</b>

Sources: field survey - 2077

Above table entails that maximum percent of respondents i.e 58.4% believe on social media advertisement to some extent and least percent i.e 3.4% fully believe on social media advertisement.

**Table-10: Ranking of different brand of soft drinks**

Product	Frequency	Percent
Coca cola	50	55.6
Pepsi	30	33.3
Dew	5	5.6
Fanta	2	2.2
Sprite	3	3.3
<b>Total</b>	<b>90</b>	<b>100.0</b>

Sources: field survey- 2077

Above table states that most of respondents i.e 55.6% give 1st rank to the coca cola and least respondents i.e 2.2% last rank to the Fanta.

**Table-11: factors affecting brand loyalty**

Response	Frequency	Percentage
Satisfaction	25	27.8
Brand image	5	5.6
Quality	40	44.4
Price	8	8.9
Taste	10	11.1
Attitude	2	2.2
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: fieldsurvey-2077

Above table clarifies that maximum percent of respondents i.e 44.4% are in favor of quality for making them brand loyal and least percent of respondents i.e 2.2% are in favor of attitude for making them brand loyal.

**Table-12: contribution of social media for brand loyalty**

Response	Frequency	Percent
Yes	40	44.4
No	5	5.6
May Be	45	50
<b>Total</b>	<b>90</b>	<b>100.0</b>

Sources: field survey-2077

Above table indicates that maximum percent of respondents i.e 50% say that social media may be contributed for brand loyalty and least percent of respondents i.e agree that social media may not be contributed for brand loyalty.

**Table -13: duration of consuming current brand**

Response	Frequency	Percentage
5 years	30	33.3
10 years	18	20
15 years	22	24.5
Others	20	22.2
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: field survey 2077

Above table spells out that maximum percent of respondent i: e33.3 consuming current brand since 5years and least percent of respondents i: e 20% consuming current brand since 10years.

**Table-14: loyalty status of consumers**

Response	Frequency	Percentage
Full loyal	20	22.2
Divided loyal	52	57.8
No loyal	10	11.1
Others	8	8.9
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: field survey 2077

Above table indicates that maximum respondentsi:e57.8% have divided loyalty and least respondents i:e 11.1% have no loyalty.

**Table-15:suggestions for making brand loyalty through social media**

Response	Frequency	Percentage
Effective social media advertisement and quality	20	22.2
Effective social media advertisement and taste	12	13.3
Effective social media advertisement and satisfaction	12	13.3
Effective social media advertisement and positive attitude	5	5.6
Effective social media advertisement and brand image	6	6.7
Effective social media advertisement and price	25	27.8
Effective social media advertisement and trust	10	11.1
<b>Total</b>	<b>90</b>	<b>100</b>

Sources: field survey-2077

Above table shows that maximum percent of respondents i:e 27.8 give the suggestions that effective social media adv. & price make the brand loyal and least percent of respondents i:e 5.6% give the suggestions that effective social media adv.and positive attitude make the brand loyalty.

5) conclusion-: maximum consumers have face book account. They use social media always. In their views face book is best social media for advertisement. Maximum consumersconsume coke or Pepsi. They give Coca-Cola 1<sup>st</sup> rank and 2<sup>nd</sup> rank to the Pepsi. They see coke and Pepsi advertisement in social media. Maximum consumers liked coke advertisement in social media due to entertaining. They believe the advertisement to some extent. They are brand loyal due to coke quality. Social media contribute to make them brand loyal towards coke. They recommend that effective social media advertisement and quality of soft-drink make them brand loyal.

## REFERENCES:

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[www://lonetreenepal.com](http://www://lonetreenepal.com)