

# Social Media Interaction's Sway on Customer and Brand Relationship Management: An Empirical Investigation of Huawei Technologies Marketing Strategy

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## Abstract

Social media is a powerful weapon of 21<sup>st</sup> century. Customers are using this weapon to get full money back advantages from the brands. A brand also needs to understand the social media interaction and also use it as an opportunity. Now a days different brands are using social media platform for the advertisement of their products and services. Huawei Technologies being studied in this paper is one of that organization which not only comprehend the SMI but also take the full advantage of it. Most of the Huawei brand products are now launched on the social media platforms. Huawei Mate 10 is one of that products. In this paper the impact of SMI on customer relationship management and on brand management has been studied. It has been found that customers find it easier to share their thoughts on social media and their experiences as well. This help the brand to understand the customer's perception and to meet them which ultimately leads to brand management.

**Keywords:** Social Media Interaction (SMI). Brand Management, Customer Relationship, Customers Relationship Management, Brand Equity

## Introduction

Social media is one of the top agendas for many organizations now a days. All decision making bodies as well as consultants strive to find out the ways through which an organization can make profit by using social media platforms like Wikipedia, Facebook, twitter, SNS, YouTube whatsapp etc (Kaplan & Haenlein, 2010).

Internet extends capabilities to determine the product having new technology. Thereby, customer is able to get and share the information about different brand product (boyd & Ellison, 2007). Previously customer used the internet for the extension of information; they get information, read it, watch it, and then they buy the product or services. Customers are using the social media platforms for site sharing, blogs, networking purposes and for wikis. They also create and share the contents of their own will now (Tu & McIsaac, 2002). So social media phenomena can be significant for an organization (Dekimpe, Steenkamp, Mellens, & Abeele, 1997).

Social network sites can be defined as the web based service that allows a customer to define a public or semipublic profile, determine the list of other users with which he can share the information, and also can view or transfer the other's shared information. The nature and terminology of such sites connection might differ from site to site (Tu & McIsaac, 2002).

Social media is an impactful channel of sharing the experiences more specifically brand related experiences (Mangold & Faulds, 2009). In previous years a lot of examples related to the brand experiences of customers have been seen through the social media. Such experiences have a strong impact on the perception of brand toward the customers and also on the brand equity and value. (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011).

Among Chinese firms Huawei is one of the leading firm that provide solutions to the customer directly for 10 years (Low, 2007). The solution support of Huawei consists of not only the direct customer care offices or emails but it embraces the social media (Liu, 2000). Huawei is committed to evolve our solutions rapidly which helps the organization to get full advantage of social media. The adoption of social media among the consumers has exploded for 5 years. For organizations such rapid growth of social media is opportunity as well as threat. Facebook has more than 500 million users and continues to grow (Zhan, 2011). Huawei is using Facebook as an important tool for customer interaction (Ren, Xie, & Krabbendam, 2009).

## Research Question

In this study we will study that how Huawei has used social media interaction as an opportunity to manage customer relations. The study will further explain the points stated below.

- The study will examine the influence of SMI on customer relationship management by the brand.
- Further it will study the effect of SMI on brand perception.

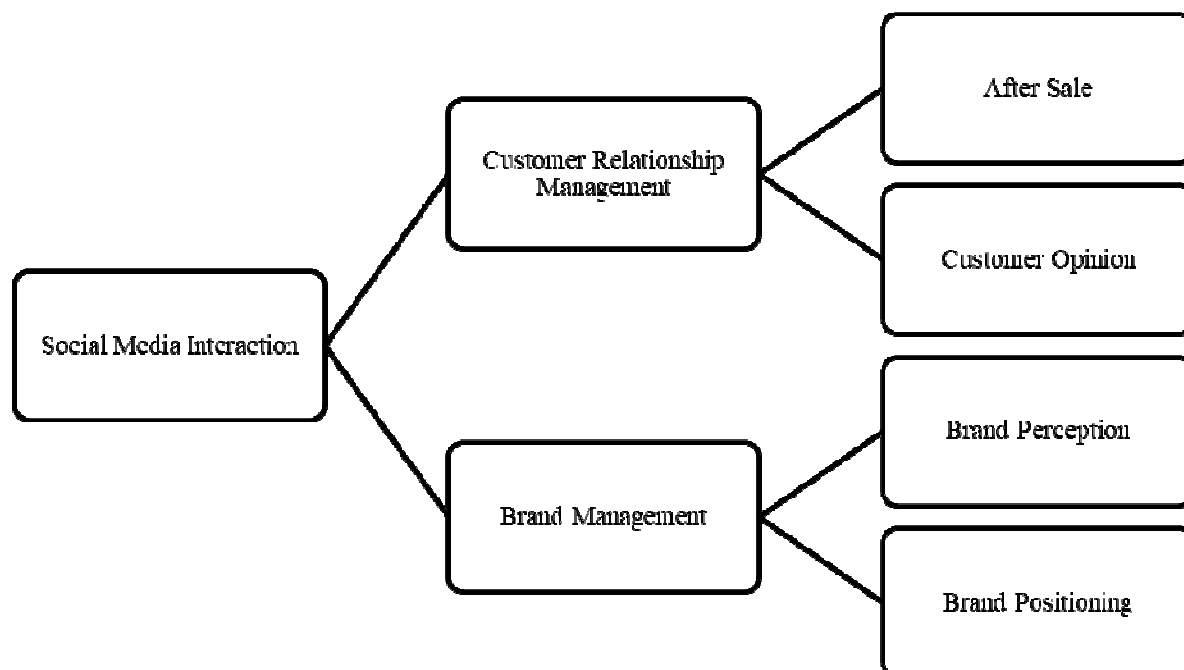
- A conceptual model will be developed and tested to find out the facts.

### **Literature Review**

The ways of communication, collaboration and connections have been changed due to the presence of social media. For marketers it is greater opportunity to have a connection with the customers through the social media (Kaplan & Haenlein, 2010). Social media provide the marker an opportunity for the direct interaction with the customers and it is considered as an ideal environment by them (Labrecque, 2014). As the usage of social media increases, the expectation of customer from brand also increases. Customer anticipates that brand will promptly respond the customer and to his problems (Gilbert & Karahalios, 2009). It seemed to be a support for assertions made by technology vendor that social media technology is a solution for successfully handling customer relationship (Sashi, 2012). On the contrary the literature also finds out that alone usage of social media cannot ensures the success of an organization and managing the customer relationship (Sashi, 2012). As various brands coagulate their place in the environment of social media, customer's prospects have also been greater than before (Gallaugh & Ransbotham, 2010). Each characteristic of social media should be understood so that it can be preserved in order to meet the customer expectations by the brand (Kaplan & Haenlein, 2010). (Fischer & Reuber, 2011) suggested the various perceived affordances might be multi- faceted features. The design of interaction in social media should also reflect these features. Through the dedication to customer-centered innovations and strong partnership, Huawei has recognized end-to-end advantage in telecom network, devices and cloud computing (Dabbagh & Kitsantas, 2012). Literature suggested that the luxury brands can forecast the buying behavior of their customers and can provide the more accurate customer services by social media platforms (Chung & Austria, 2010). Purchase intentions are significantly positively influence the relationship equity and value equity. There is a significant relationship between the purchase intention and customer equity for a brand (Zhao, Liu, Tang, & Zhu, 2013). The arrival of the internet and in particular the interactive features of Web 2.0 in recent years leads to an blast of interest in customer engagement. Practitioners are excited to see the opportunities which are provided by the social media to help the close relationship with customers (Kerpen, 2011). This fact is supported by the academic as well as practical knowledge (Heller Baird & Parasnis, 2011). Markets and organizations are now the alternative sources for the solving customer's needs (Kim & Ko, 2012). Social media is one of the top agendas for many organizations now a days. All decision making bodies as well as consultants strive to find out the ways through which an organization can make profit by using social media platforms like Wikipedia, Facebook, twitter, SNS, YouTube whatsapp etc (Kaplan & Haenlein, 2010). Despite of the various advantages and usage of social media there is a little understanding of social media interaction. (Trainor, Andzulis, Rapp, & Agnihotri, 2014). Social media term 21<sup>st</sup> century term used for networking (Low, 2007). (Tiu Jr & Roberto, 2010) The paper finds that Huawei lies at a crossroads in a transitional telecommunication sector that is no longer isolated from global reforms and advancement. Through internationalisation the company has learned to compete by adjusting their mechanisms, learning instruments and focus.

### **Theoretical Framework**

The study has suggested that the social media interaction has a positive influence on the brand interaction with its customer. A case of Huawei technologies has been discussed here. Mainly, this study tries to find that social media interaction has an effect on marketing of Huawei technologies. How much a social media is helpful for Huawei for customer management and brand management? The answer of this question is tried to be answered by the following conceptual theoretical model.



**Hypothesis 1: social media interaction has a positive influence on the buying decisions of customers.**

There is a relationship between the customer buying behavior and their social media interaction with brand (Sashi, 2012). Some social networking community service providers have earned revenue by selling digital items to their community members. SNC member decisions to purchase digital items based on customer value theory (Gulbahar & Yildirim, 2015).

H1: SMI has influence on customer’s decisions.

H0: SMI has no influence on customer’s decisions.

**Hypothesis 2: social media interaction is a platform for customer to give their opinion.**

H1: customers are satisfied that their voice is listened via SMI

H0: customers are not satisfied that their voice is listened via SMI

**Hypothesis 3: customers get insight about products through SMI. So there is a relationship between the brand positioning strategy and SMI.**

H1: SMI has influence over brand positioning strategy.

H0: SMI has no influence over brand positioning strategy.

**Hypothesis 4: customer’s perception for brand changes due to SMI**

H1: customer perception for brand changes due to SMI

H0: customer perception does not changes due to SMI

**Research Methodology**

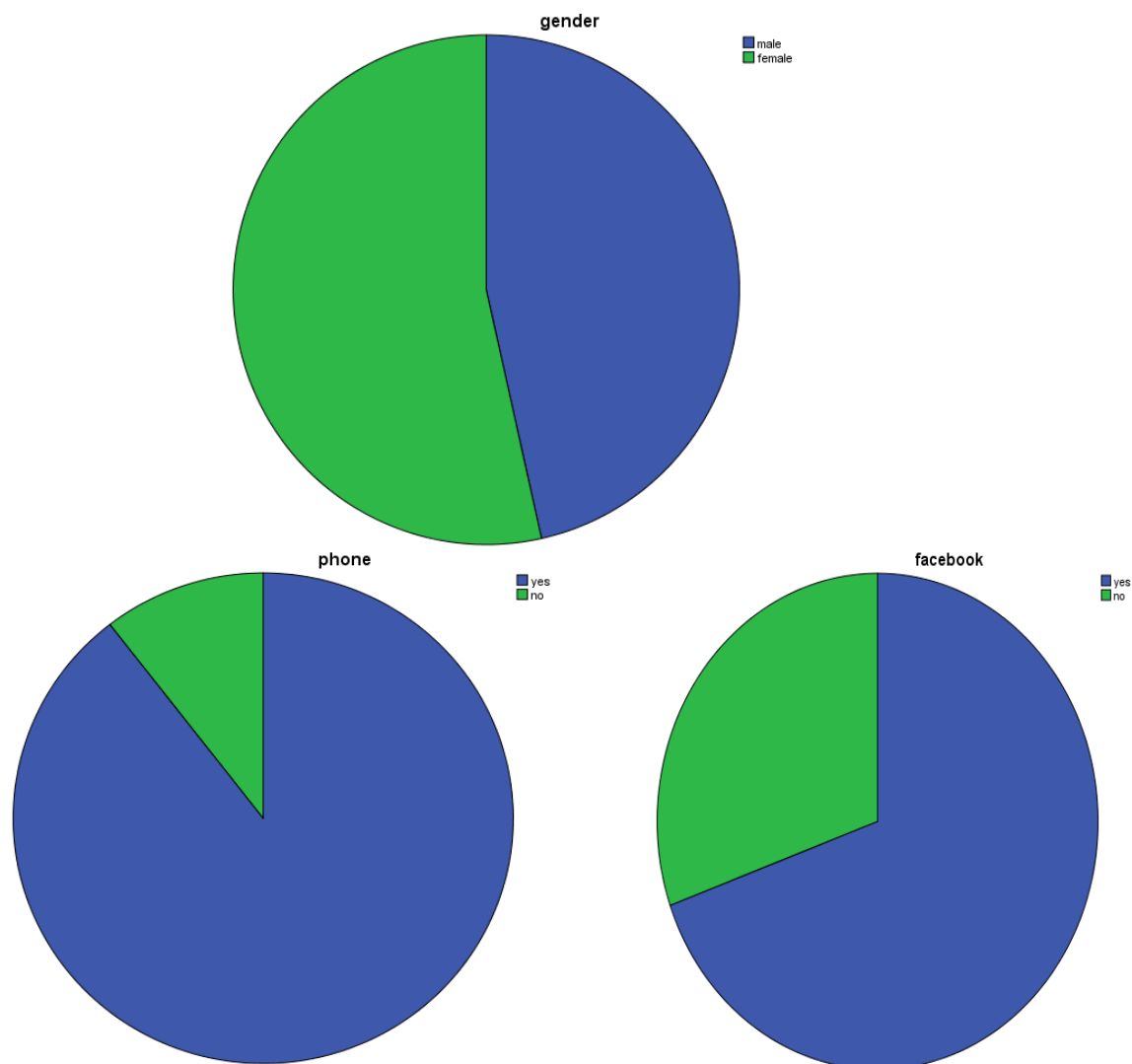
**Sample and Procedure**

We focus on the mobile phones users of Huawei technologies and the customers who have any source of social media interaction. Demographics of customers related to social media account, gender and age have been taken into consideration.

**Data collection:** for data collection a questionnaire has been adapted form (Low, 2007). Population of the study include the Huawei brand customers and convenient sampling technique has been used. 300 questionnaire were distributed out of which 260 has been collected after missing value analysis final sample size consists of 200 cases. The demographics are given in Table 1.

**Table 1: Demographics characteristics of respondents**

Demographic Characteristics	Percentages
<b>Gender</b>	
<b>Male</b>	53%
<b>Female</b>	46%
<b>Have mobile phone</b>	89%
<b>Social media account</b>	69%



### Data Analysis

Data has been analyzed in three steps

- The reliability of data has been analyzed
- The regression analysis is run to check the dependence of brand loyalty on the hypothesized variables
- Then the data has been analyzed descriptively to check the percentages of loyalty dimensions; attitudinal or behavioral

### Measurement Reliability

The construct showed high internal consistency and reliability with Cronbach alpha value .416 while Cronbach Alpha.

### Descriptive Analysis

Descriptive statistics of various variables have been analyzed and following results have been obtained.

**Hypothesis 1: social media interaction has a positive influence on the buying decisions of customers.**

H1: SMI has influence on customer's decisions.

H0: SMI has no influence on customer's decisions.

70% customers say that Social Media trigger their purchasing decisions. So H1 is accepted in this case.

**Hypothesis 2: social media interaction is a platform for customer to give their opinion.**

H1: customers are satisfied that their voice is listened via SMI

H0: customers are not satisfied that their voice is listened via SMI

More than 67% customer think SMI as a platform for their opinions, so H1 is accepted and H0 is rejected.

**Hypothesis 3: customers get insight about products through SMI. So there is a relationship between the brand positioning strategy and SMI.**

H1: SMI has influence over brand positioning strategy.

H0: SMI has no influence over brand positioning strategy.

47% customer agreed that their purchase patterns changes due to SMI product placement and brand positioning. Hence H1 is accepted.

#### **Hypothesis 4: customer's perception for brand changes due to SMI**

H1: customer perception for brand changes due to SMI

H0: customer perception does not changes due to SMI

57% Customer's perception regarding after sale services and product attributes have been changed due SMI. So H1 is accepted.

#### **Findings**

It has been found that the customer feel easy to interact on social media platform regarding the brand. Further the decision making capability of customers has also been increased due to SMI. Customers who are shy and cannot share their experiences or apprehensions finds very easy to interact on social media platform. The social media presentation of a product of a specified brand, as discussed in this paper the example of Huawei Mate 10, has increased the influence of social media interaction on purchasing behavior of customers. SMI leads to fulfillment of customer's perception by the brand which enhances the customer relationship. For product positioning strategy social media platform can also be used which is an element of brand management.

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