

What do Instagram Likes mean? How social media relates to consumer equity and its drivers

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Background. Social media is today's mortar for a fashion brand to build strong ties with its consumers (Muntinga, Moorman, & Smit, 2011). However, not all social media fashion brand profiles are equal. A fashion brand may have many more followers on Instagram than its competitors, but that number does not necessarily correlate to those consumers being loyal patrons of the brand. Most current research has tried to understand the phenomenon of consumer participation on social media by investigating brand economics and consumer behavior aspects separately, without measuring the relationship between them. Thus, to address the disconnect, in this research explored how consumers' enthusiasm for interacting with fashion brands on Instagram affects their purchase loyalty. We integrated consumer equity as defined by Rust, Lemon, and Zeithaml (2004) with Rust, Zeithaml, and Lemon's (2001) consumer lifetime value (CLV) formula to explore how consumers' social media interactions and behaviors, such as likes, influence customer purchase loyalty.

Theoretical framework. Consumer equity is built up by real actions, real customer input, and real measurable outcomes, all of which evolve over time (Rust et al., 2001) and is measured by three dimensions: brand equity, value equity, and relationship equity (Lemon et al., 2001). In 2001, Rust et al. developed a mathematical expression called the CLV equation to quantify purchase loyalty as the lifetime value of the individual consumer. The CLV result is a predictive value that allows brands to rank individual customers based on their expected contribution to a brand's bottom line (Kumar & Reinartz, 2016). In recently years, social media has been shown to increase consumer equity and CLV through word-of-mouth sharing and a consumer's quest to be entertained (A. J. Kim & Ko, 2012), especially compared to brands without social media presence (Yuan et al., 2016). In other words, fashion brands get the greatest return on their efforts on Instagram when they cultivate consumer equity under the following conditions: (a) when they share posts on topics that their consumers personify, (b) when content holds consumers' attention through aesthetics or entertainment, or (c) when the content goes viral. Because no known algorithm exists for creating content guaranteed to go viral, this research focused on determining the relationship between the consumer equity drivers (brand, value, and relationship) and the CLV equation (Rust et al., 2001) for fashion brands on Instagram by testing

following hypotheses: (H1) The frequency of liking behavior with a fashion brand's Instagram posts will positively influence consumer equity. (H2) Brand equity (H2a), value equity (H2b), and relationship equity (H2c) influence a brand's CLV on Instagram.

Methods and survey instruments. A total of 394 university students completed the questionnaire after interacting with the 12 selected images. Participants were also asked demographic and Instagram usage questions. The survey participants reflected the university demographics: 25.6% were minorities; 49.5% were female. The average participant age was 20.5 years ($SD = 1.28$ years); 41.1% were freshmen, 29.7% were sophomores, 22.8% were juniors, 5.8% were seniors, and two individuals did not respond. Although all 394 students completed the survey, some responses could not be linked back to the respondent at each stage of the survey. Therefore, each hypothesis reflects a different number of usable responses.

Results. For the H1 multiple regression analysis, consumer equity was regressed on four predictors: percentage of likes of the last purchased brand post, the total number of images liked, if the consumer follows brands on social media, and what brand was last purchased. The results indicate that the four predictors explained 16.2% of the variability of a brand's consumer equity on Instagram, which was significant, $p < .001$. More specifically, the total number of likes, and the percentage of post students liked of a brand that was last purchased were significant, at $p < 0.05$. For H2, a standard multiple regression was conducted where CLV was regressed on brand equity, relationship equity, and value equity of the brand most recently purchased. Results indicate that the four predictors explained a low 3.9% of the variability of a CLV on Instagram, but was significant, $p = .012$. Value equity and brand equity were significant predictors; $p < 0.05$. Relationship equity were not significant predictors.

Discussions. This exploratory study examined how consumers' enthusiasm for interacting with fashion brands on social media affects their purchase loyalty to those brands. Findings confirmed only the hypothesized relationship between brand equity and CLV, whereas value equity had a negative relationship between value equity and CLV. Relationship equity was not found to be a significant predictor of CLV. Thus, brand equity could be the main driver for fashion brands on social media. One may conclude that the current sample of students were more focused on aligning their Instagram likes with posts that aligned with their beliefs and values (Perkins & Forehand, 2011), and/or represented who they are (Rasmus, Jaroszyńska, & Pałęga, 2017), rather than sales, loyalty programs, and other promotional tactics when building purchase loyalty.

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