

The Power of Social Media in Driving Skincare Brand Loyalty and Premium Pricing, Revealing the Impact of Brand Awareness and Image

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Abstract

The rise of technology has led to a significant shift in marketing strategies, with many brands exclusively leveraging social media for product promotion. The aim of this research is to examine the effect of Social Media Marketing Activities (SMMAs) on brand awareness, brand image, brand loyalty and willingness to pay a premium price for Skincare brands. The research investigated the components of SMMAs and their impact on brand awareness, brand image, brand loyalty, and the willingness to pay a premium price among users of organic skincare brands- Juicy Chemistry, Vilvah and Deyga. The study analyzed five components of SMMAs—entertainment, interactivity, trendiness, customization, and electronic word-of-mouth—to gain insights into how these elements influence Brand Awareness, Brand Image, Brand Loyalty, and willingness to pay a premium price among consumers of these organic skincare brands. Regarding the theoretical framework, this study employed the stimulus-organism-response (S-O-R) model to establish connections between SMMAs as stimuli, brand equity as the organism, and brand loyalty and willingness to pay a premium price as responses. The data was collected from 115 respondents through an online questionnaire. Structural equation modeling was used to assess the collected data. The findings of the study contribute to a deeper understanding of how engagement in social media marketing activities

can influence the perception of the brand and foster loyalty among consumers for skincare brands.

Keywords: Social Media Marketing Activities, Brand Awareness, Brand Image, Brand Loyalty, Willingness to Pay Premium Price

I. INTRODUCTION

Minor innovations and the ever-shifting social networks while, make it safe to conclude that the skincare industry is steadily evolving. This has paved way to create new forms of marketing that were inconceivable before specially in new economy like India. The Indian skincare market indeed seems to have grown to the tune of US \$ 2, 933. The projected spending in 2023 will be approximately US 7 million and should record a year-on-year development rate of fourteen percent. 6 % step by step and the total volume of worth of IT market was in contact with US \$12,934. 2 million by 2034. (IMARC Gathering. (2023). Indian skincare market: growth analysis; market share, size, and growth rate; and opportunities as well as the market outlook for 2023-2034. Given the fact that the industry has grown rapidly, it is necessary to understand how social media influences the consumer behaviours. Social Media Marketing Activity (SMMAs) have emerged to be significant in shaping brand strategies with skincare brands enhancing their relationship with the audience. Marketing has from being a monotonic, static approach, largely skewed towards one-directional approaches as a result of its evolution, specifically by the rise of social media. All the attributes of brand esteem such as brand consciousness and brand image are influenced by the 'SMMAs', especially the centre components such as diversion, connection, fashionable, customizable and E-WOM practically affect all attributes of brand esteem. As try to address these gaps the review seeks to evaluate the impact SMMAs have depicted on both brand loyalty and consumers' ability to incur an additional cost for the skincare products. Regarding the segment termed as natural skincare, the review focuses on the impact of SMMAs five taking into consideration segments of delights, intellect, prevalence, custom-made and E-Word of Mouth on Brand Awareness, Brand Association and Brand Loyalty. By relying on the upgrade creature reaction (S-O-R) model, these virtual entertainment activities are associated with brand value (organic entity) and the degree to which these activities impact customer loyalty and willingness to pay a premium for the brand is determined. The accumulated quantitative data was portioned with Underlying condition demonstrating to provide an overall review of how commitment through web-based media increases brand awareness and reliability. The results present useful insights and contribute meaningful knowledge of the significance of SMM to consumer behaviour change in skincare industry. They o replace the several ways that SMMAs components have an impact on consumers' willingness to pay a premium via the positive effects on brand awareness and brand image. It is therefore

through these extensions that this work provides recommendations that skincare firms can employ to enhance the overall impact of social media and digital marketing. It also affords further insight as to how social media impacts the price policies and the consumer.

Research Problems

The research questions of the study are What are the impacts of Social Media Marketing Activities on brand equity and consumer behaviour in the organic skincare industry? Specifically, the research findings seek to establish how entertainment, interactivity, trendiness, customisation, and E-WOM influence the consumers' price premium for organic skincare brands such as Deyga, Juicy Chemistry and Vilvah as well as the perceived brand awareness.

The aim of this research is to explain how marketing information and image act as a moderator in the relationship between SMMA and customer results. This paper seeks to provide an understanding of the process that may exist in the organic skincare market regarding the organization and operation of these factors in a bid to improve brand loyalty and willingness to pay for premium prices.

Furthermore, the study also seeks to answer the important research question on which elements of SMMA have a most profound impact on brand equity most especially on brand identity or brand recognition in the skincare industry. It also explores a complex interaction between brand loyalty, brand equity, and customers' attitude toward the price premium, which will be of considerable interest to skincare brands that are looking for a sound social media marketing strategy.

In doing so, the study will seek to make significant theoretical and practical contributions to the field of digital marketing, specifically targeting skincare brands' marketers and brand managers. It is therefore important for brands in social media marketing to understand how such activities may affect the perception of the brands and consumers and how consumers may be enticed to remain loyal and develop an affinity to a particular brand and go for the premium price without hesitation.

Review of Literature

The first dimension of SMMA is Entertainment (Kim and Ko, 2011). SMMA are there to amuse customers and add enjoyment to their shopping experience. Entertainment encourages participation on social media platforms. (Frida and Miranda, 2021) mentions that entertaining content ensures that users come back for more. According to the research of (Masa'deh, R., 2021), the attention and Interest of users can be captured by providing entertaining and informative content on social media. Customer involvement and Participation can increase by posting entertaining activities such as Games, Competitions, Giveaways, etc., on the Social Media platform of the brand (Masa'deh, R., 2021).

Interaction is the involvement of consumers on the Social Media platforms of the brand (Seo and Park, 2018). In the research of (C.A. Malarvizhi et al., 2022), it is stated that SMMA's include various interactions like Brand-to-Brand, Consumer-to-Brand and Consumer-to-Consumer interactions. Consumers' perception of the brand increases consumer-to-brand interactions. Interaction helps the consumers share their thoughts and talk about what they like and dislike about the products and service (C.A. Malarvizhi et al., 2022).

The trendiness dimension measures how frequently brands update its content on social media. (Ebrahim, 2019). (Kim and Ko, 2012) refers to trendiness as the capability of a brand to provide the latest information on the brand itself. Trendiness impacts brand awareness and image. The social media posts help consumers to understand what other customers use and information of the product that is currently in trend and align with their needs and interests. Updating the social media of the brand constantly offers a feeling of newness and modernity which can increase loyalty of the brand (C.A. Malarvizhi et al., 2022).

The fourth dimension of SMMA's is Customization. It is the second-most important SMMA that contributes to Brand Equity (Seo and Park, 2018). According to (Kim and Ko, 2012), Customization is the extent to which brands consider consumers' demand to suit their individual preference like price, product characteristics that can increase purchase decision. Customizing and modifying to customers interest is customization which creates trust and loyalty (Sohail et al., 2020). Customization in SMMA's of a brand value and trust. This can also create an emotional connection. Customer engagement and fulfilment of needs is essential for customization unlike traditional mass communication channels (C.A. Malarvizhi et al., 2022).

Methodology

There are two types of research most significantly used around the globe called quantitative research and qualitative research. We employ the quantitative approach in this investigation. The quantitative approach is used to measure behaviour, values, and other variables. This is descriptive research which is widely used for cross-sectional studies and the data is collected through questionnaires. The study employs voluntary and purposive sampling methods. Consumers who use social media platforms regularly and are conscious about their skincare are the target population of the study. Since this is cross-sectional research, the data is collected at a specific time from samples. The target sample of the study is one hundred samples. In the present study, previously tested and validated instruments were used with some modifications. The questionnaire was designed in straightforward and objective terms so that all the questions were understandable to the respondents. An online close-ended questionnaire was circulated to samples through google forms to collect data. The questionnaire was sent to those who are more likely to follow a

skincare routine. Each variable of the questionnaire consisted of five items and a total of forty-five items.

Research Hypothesis

- **Hypothesis 1a:** On the light of entertainment as part of SMMAs, this paper argued that entertainment has positive impact on brand awareness.
- **Hypothesis 1b:** Thus, analysis of suitable variables of SMMAs indicates that entertainment contributes positively to brand image
- **Hypothesis 2a:** The study found that interaction has positive relationship with brand awareness as one of the elements of SMMAs.
- **Hypothesis 2b:** Unsurprisingly, interaction poses a strong, significant relationship with brand image as an SMMAs element

Research Design

Sampling Method: This study has adopted both voluntary and purposive sampling. For the purpose of this research, 100 respondents who would fit in a set criterion for the target population of the study in relation to skincare and the use of social media were sought upon.

Data Collection: The responses on the online close-ended questionnaires were administered through Google Forms. The items were adapted to be simple through the Likert scaling as well as a measure of the demographic variables, a total of forty-five items.

Reliability Analysis: The collected data from 110 respondents have been checked to make sure the measuring instruments are appropriate and reliable.

Statistical Analysis: SEM was used to analyze the proposed model, and the relationships between the variables were reviewed through correlation analysis.

Data Analysis

The document thoroughly examines survey data using sophisticated statistical methods to explore the connections between social media marketing elements and brand dynamics. It uses descriptive statistics from Power BI to highlight demographic trends, while deeper insights are provided through regression analyses, correlation evaluations, and structural equation modeling (SEM) conducted in R. The analysis finds that electronic word-of-mouth (EWOM) greatly boosts brand awareness and image. Furthermore, the element of trendiness significantly affects brand image. The statistical analysis convincingly shows that specific social media marketing factors like EWOM have a substantial impact on brand loyalty and the consumers' readiness to pay more, underscoring their crucial role in influencing consumer behaviors and perceptions in the skincare market.

Descriptive Statistics

Descriptive statistics are utilized to investigate the demographic information of survey respondents, and Power BI is employed for data analysis. The bulk of the 110 participants— 66.4%—are between the ages of 18 and 24, and 27.3% are between the ages of 25 and 34, suggesting that this cohort is primarily youthful. There are fewer older age groups represented. The sample is mainly female, comprising 70.9%, with males making up 29.1%. Urban dwellers significantly outnumber those from rural areas, at 85.5% compared to 14.5%. Students form the largest group of respondents at 61.8%, followed by employed individuals at 17.3%, and selfemployed at 16.4%. The unemployed account for 4.5%. Regarding income, 58.2% earn below Rs. 100,000 annually, 30.0% earn between Rs. 100,001 and Rs. 800,000, and 11.8% earn above Rs. 800,001. In terms of skincare habits, 43.6% engage in daily skincare routines, while 21.8% seldom follow any routine and 3.6% never do. Vilvah is the top skincare brand among participants at 41.8%, followed by Deyga at 31.8% and Juicy Chemistry at 26.4%. Instagram is the most favored platform for engaging with skincare brands, utilized by 64.5% of respondents, with websites at 23.6% and WhatsApp at 11.8%.

Fig 1
Frequency of Gender

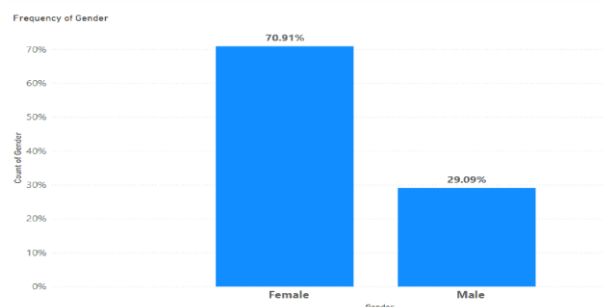


Fig 2
Count of Age

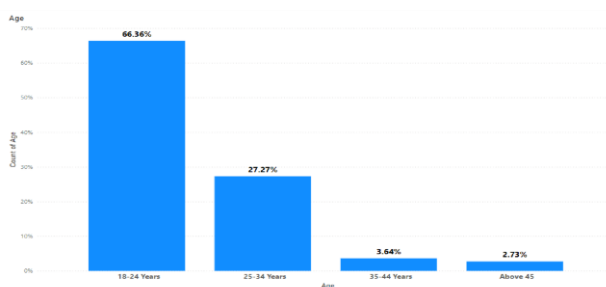


Fig 3
Frequency of Location

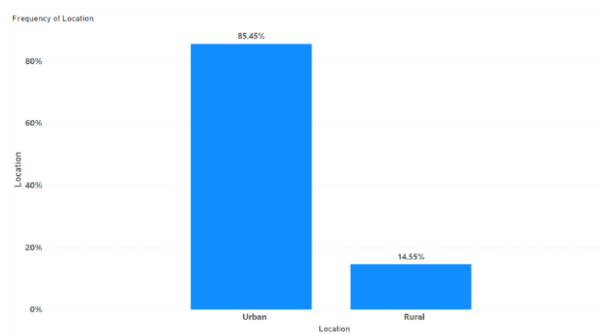


Fig 4
Income per annum

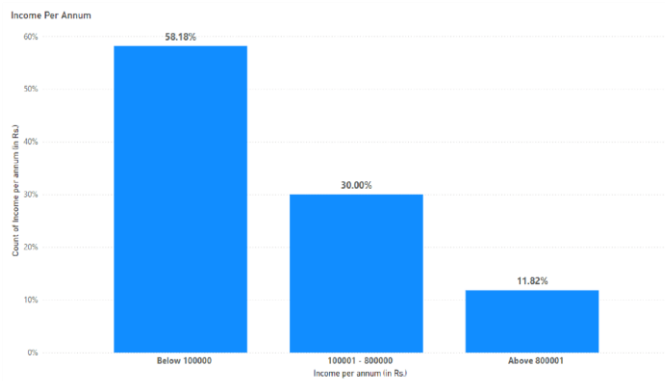
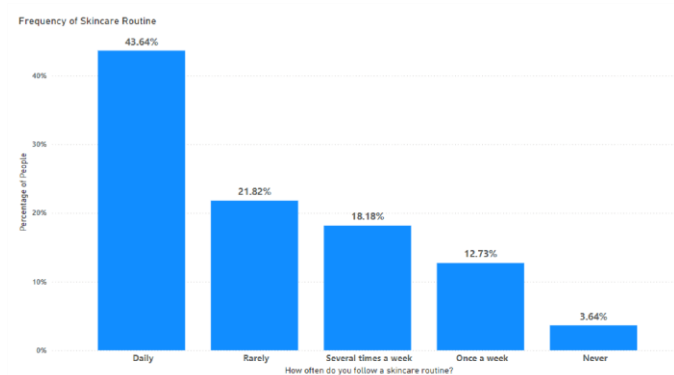


Fig 5
Frequency of Skincare routine



Reliability Analysis

Cronbach's alpha, a measure of internal consistency, shows how well a group of items correlates. In this reliability analysis, Cronbach's alpha scores range from 0.883 to 0.904, demonstrating high internal consistency within each construct. All constructs surpass the acceptable Cronbach alpha threshold of 0.7, affirming strong reliability. The mean scores range from 3.19 to 3.66, suggesting a moderate to high agreement level with the survey items. Standard deviations vary from 0.725 to 0.886, reflecting some variability in responses yet showing generally consistent agreement levels across constructs. The construct of Trendiness (TRE) records the highest mean at 3.66, indicating that respondents perceive it as relatively more significant compared to other factors. Conversely, Entertainment (ENT) scores the lowest mean at 3.19, pointing to its lower perceived importance or satisfaction. Willingness to Pay Premium (WPP) shows the highest standard deviation at 0.886, highlighting a greater variability in respondents' readiness to pay more for premium offerings.

Regression

Regression Model:

- Brand Awareness (BA) regressed on each SMMA component (ENT, INT, TRE, CUS, EWOM). For hypothesis H1a, H2a, H3a, H4a and H5a.

Model Overview

- **Dependent Variable:** AVG_BA (Average Brand Awareness)
- **Independent Variables:** AVG_ENT (Average Entertainment), AVG_INT (Average Interaction), AVG_TRE (Average Trendiness), AVG_CUS (Average Customization), and AVG_EWOM (Average Electronic Word-of-Mouth).

Coefficients Interpretation

- **Intercept (0.20697):** This is the predictable value of AVG_BA when all the independent variables are zero. However, since such a scenario might not be meaningful in your context, the intercept helps adjust the model.
- **AVG_ENT (0.11514):** The coefficient is positive, indicating that as AVG_ENT increases by one unit, AVG_BA is expected to increase by 0.11514 units, holding other variables constant. However, the p-value (0.1449) is greater than 0.05, meaning this relationship is not statistically significant at the 5% level.
- **AVG_INT (0.06030):** This coefficient is also positive, suggesting a positive relationship between interaction and brand awareness. The p-value (0.4864) indicates this relationship is not statistically significant.
- **AVG_TRE (0.06344):** The coefficient here is positive, indicating a slight positive relationship between trendiness and brand awareness.

However, the p-value (0.5439) shows that this relationship is not statistically significant.

- **AVG_CUS (0.20747):** This coefficient suggests a positive relationship between customization and brand awareness. The p-value (0.0574) is slightly above 0.05, indicating a marginally non-significant relationship. It might be considered significant at a 10% significance level.
- **AVG_EWOM (0.52387):** This coefficient is positive and indicates a strong positive relationship between electronic word-of-mouth and brand awareness. The p-value (3.36e08) is ridiculously small (well below 0.05), making this relationship highly statistically significant.

Statistical Significance

- **Significant Predictor:** At the 5% level, AVG_EWOM is the sole statistically significant predictor. This implies that electronic word-of-mouth positively affects brand awareness in a powerful and statistically significant way.
- **Marginally Significant Predictor:** AVG_CUS is close to being significant at the 5% level but is more likely considered significant at the 10% level.
- **Not Significant:** AVG_ENT, AVG_INT, and AVG_TRE do not significantly predict brand awareness in this model.

Findings and Conclusion

Findings

The extensive analysis sheds light on the particular aspects of social media marketing and its effects on various brand key performance indicators in the skincare industry. The research highlighted the importance of electronic word-of-mouth (EWOM) and its effects in shifting consumer perceptions by determining the extent at which, it can increase brand awareness (pvalue < 0.001) and brand image (p-value = 1.11e-06). With a p-value of 0.0272, the relationship of trendiness to brand image was revealed to be significant in a statistical sense meaning that customers level of use of fashionable brands can enhance their image to a brand more.

On brand loyalty, the brand awareness analysis indicated that the self-stated brand holder has a potent ability. This means that when consumers have high awareness of a brand, general loyalty towards that brand will be enhanced. Finally, even if the statistical strength was weaker for the relationship between brand image and brand loyalty, such link showed a moderately significant association that could still lead one to loyalty (p-value = 0.0651), this proposes an indirect route where favourable attitude toward a brand may exert moderate envelopes of loyalty.

The willingness to pay a premium is a very important element, and it was primarily impacted by the brand image (p-value = 0.00187) and brand loyalty (p-

value = $3.7e-06$) factors. This finding emphasizes the fact that consumers are more likely to spend more in a brand that they are attached to and have favourable thoughts about it. In this way, discernible brand awareness which generates strong loyalty, was not found to be useful in the willingness to pay for more ($p\text{-value} = 0.94011$), meaning, just being aware of a brand does not equally translate into spending on the brand by the consumers.

These elaborate findings reveal that customer's loyalty and their willingness to pay a premium price can be influenced by appropriate usage to the extreme of social media, especially enhancing EWOM and trending image. It is possible for such brands to utilize these findings to adjust their marketing approach by concentrating on active participation and creativity to improve both brand image and profitability in the competitive space of skincare products.

Limitations

Research that targets consumers of three brands of organic and sustainable skin care products: Vilvah, Deyga and Juicy Chemistry, carries some limitations. Due to the lack of face-to-face interactions, users rely more on social media marketing, pointing towards the need to look for more ecommerce brands that employ different social strategies. In addition, the study also did not include other SMMM such as advertising and purchase intentions because it was restricted to only five limbs of SMMM. The constructs of brand equity included only BI and BA, where the authors argued that brand equity can also be constructed by other variables including but not limited to other brand dimensions like brand love quality and other. Further, more studies could investigate the application of considering one SMM activity letting the variables all be more complicated like culture, economy and more in order to explore impact on BI and BA. Considering these issues may improve the significance of subsequent investigations for both the skincare sector and marketers in other fields in enhancing social media approaches and making decisions.

II.CONCLUSION

From the study's thorough analysis one can also understand how information about social media marketing characteristics sways customers' perceptions and actions towards skincare. The useful findings stress on the relevance of electronic word-of-mouth (EWOM) in brand building and brand image creation thus bringing out the importance of this tool in the digital marketing arena. It has also been shown that trendiness has a great influence on brand image, a clear pointer that to attract young consumers, companies cannot shy away from being modern and stylish. Finally, the study also confirmed the strong influence of brand awareness in the development of brand loyalty, reinforcing that with recognition and visibility customers can be made loyal to the brand.

Understanding the brand and the loyalty towards it considerably affects the decision on the premium which customers are ready to offer. Engaging customers and undertaking brand activities thus comes with efficient financial returns. It was noted, however, that mere brand equity does not necessarily translate to people's intention to pay a certain price which indicates the need for such brands to go beyond recognition. There is practical, though recommendations on how to advance a skincare brand in social media marketing, based on the results of this research. They can not only improve the position in the market for the companies but also increase profitability under premium pricing strategies in relation to branding, marketing, and trend forecasting, as concerns about catering enhance EWOM. These strategies are desired within a single marketing strategy plan from the beginning to the end to avoid losing customers and growth of brand in the competitive environment.

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