

The Effectiveness of Social Media Customer Relationship Management (CRM) in Building Brand Communities Among Gen Z Consumers

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Abstract

As digital natives, Gen Z exhibits unique behaviors and preferences when it comes to brand engagement, especially on social media platforms. Social media Customer Relationship Management (CRM) offers a powerful tool for fostering stronger relationships between brands and consumers by creating personalized experiences, increasing interaction, and enhancing brand loyalty. This research aims to explore how social media CRM strategies can be leveraged to cultivate brand communities that resonate with Gen Z. The study utilizes a mixed-methods approach, combining quantitative surveys and qualitative interviews to gather data from Gen Z consumers. The survey focuses on social media engagement, brand perception, and community involvement, while the interviews provide deeper insights into the motivations behind Gen Z's brand loyalty and engagement patterns. The results indicate that Gen Z consumers are highly receptive to brands that engage with them authentically and involve them in brand-related conversations. Key factors that influence brand community building include the use of personalized content, social responsibility initiatives, and interactive features such as live streams and user-generated content. Furthermore, Gen Z places a strong emphasis on trust and transparency, with brands that maintain consistent communication and deliver on their promises being more likely to build lasting brand communities. The findings suggest that brands should prioritize transparency, personalization, and social responsibility within their social media CRM strategies.

Keywords: Brand communities, Customer engagement, Gen Z, Social media CRM

1. Introduction

1.1 Principles and Rationale

The rise of social media has revolutionized how brands engage with their audiences, particularly with younger generations such as Gen Z. Social Media Customer Relationship Management (Social Media CRM) has emerged as a strategic approach for building strong, interactive brand communities. By leveraging the capabilities of platforms like Instagram, TikTok, and Twitter, brands can foster two-way communication, deliver personalized experiences, and create a sense of belonging among their consumers (Harrigan et al., 2015).

Brand communities, defined as groups of consumers connected by shared admiration for a brand, play a critical role in driving consumer loyalty, advocacy, and emotional connection (Muniz & O'Guinn, 2001). For Gen Z, who value authenticity, inclusivity, and active participation, the appeal of well-managed brand communities is particularly strong (Francis &

Hoefel, 2018). Social Media CRM enables brands to respond to these preferences by offering real-time engagement, user-generated content, and opportunities for direct interaction.

The importance of Social Media CRM is underscored by its ability to integrate customer feedback, monitor consumer sentiment, and align engagement strategies with brand objectives. However, challenges such as content saturation, data privacy concerns, and maintaining authenticity highlight the need for thoughtful implementation (Kotler et al., 2021). Despite these challenges, Social Media CRM has shown great promise in fostering dynamic brand communities that resonate with Gen Z consumers.

This study aims to evaluate the effectiveness of Social Media CRM in building brand communities among Gen Z consumers. By exploring key factors such as engagement strategies, personalization, and community participation, this research provides valuable insights into how brands can optimize their use of social media platforms to enhance consumer loyalty and advocacy.

1.2 Research Objective

The study aims to achieve the following objectives:

1. To identify the factors that contribute to the success of brand communities among Gen Z consumers, such as personalization, interactive content, and community-building initiatives
2. To assess the impact of social media CRM in strengthening brand loyalty and advocacy within the Gen Z demographic:
3. To compare the effectiveness of social media CRM strategies in the retail sector versus other industries in Thailand.

2. Literature Review

The integration of Social Media CRM with brand community strategies provides a promising pathway for brands to connect with Gen Z consumers. By leveraging the unique features of social media platforms, brands can create vibrant, engaged communities that enhance consumer loyalty and advocacy. However, the effectiveness of these strategies depends on thoughtful implementation, authenticity, and adherence to privacy standards.

2.1 The Concept of Social Media CRM

Social Media Customer Relationship Management (Social Media CRM) extends traditional CRM practices into the digital and social media space, leveraging platforms like Instagram, Facebook, and Twitter to foster relationships with consumers (Harrigan et al., 2015). By integrating real-time communication, customer engagement, and personalized experiences, Social Media CRM enables brands to strengthen their connections with target audiences. Its effectiveness lies in its ability to capture consumer feedback, monitor preferences, and build trust through transparent interactions (Malthouse et al., 2013).

2.2 Brand Communities and Their Importance

A brand community is a specialized, non-geographically bound group of consumers who share a set of social relationships based on admiration for a brand (Muniz & O'Guinn, 2001). These communities foster emotional connections, encourage peer-to-peer support, and enhance brand loyalty. The rise of social media has significantly transformed how brand communities

are formed and maintained, offering brands new tools to interact with consumers and facilitate collective brand experiences.

2.3 Gen Z and Social Media Behavior

Generation Z, born between 1997 and 2012, represents a digitally native cohort with distinct characteristics compared to previous generations. They prioritize authenticity, social responsibility, and interactive engagement when connecting with brands (Francis & Hoefel, 2018). Gen Z consumers spend considerable time on social media, using it as their primary channel for discovering and engaging with brands. This demographic value personalized and visually engaging content, making them ideal participants in social media-based brand communities.

2.4 The Role of Social Media CRM in Building Brand Communities

Social Media CRM facilitates the creation and sustenance of brand communities by enabling direct and personalized interactions between brands and consumers. Key mechanisms include: engagement through interactive content, personalization and data utilization, and real-time feedback and customer support. Engagement through Interactive Content: Social Media CRM allows brands to share engaging content, including polls, live streams, and interactive posts, which resonate with Gen Z consumers (Ashley & Tuten, 2015). Personalization and Data Utilization: Social media platforms provide a wealth of data that brands can use to tailor content and engagement strategies to individual preferences (Kim & Ko, 2012). Real-Time Feedback and Customer Support: Social Media CRM enables brands to respond to customer queries and feedback instantly, fostering trust and loyalty within the community (Hajli, 2014).

2.5 The Effectiveness of Social Media CRM for Gen Z Consumers

Research highlights the effectiveness of Social Media CRM in enhancing brand equity and loyalty among Gen Z consumers. Studies show that brands employing robust Social Media CRM practices see higher levels of engagement, increased community participation, and stronger consumer advocacy (Chung et al., 2020). Gen Z consumers are particularly receptive to interactive and authentic brand communication, which aligns with the capabilities of Social Media CRM tools.

3. Research Methodology

The methodology employs a mixed-methods approach combining both qualitative and quantitative techniques was employed to capture a thorough exploration of the relationship between social media CRM strategies and the formation of brand communities among Gen Z consumers.

3.1 Quantitative Approach

The target population of this study consists of Thai consumers from Generation Z (born between 1997 and 2012), specifically individuals aged between 18 and 24 years, who are active users of social media platforms. The sample was selected using a convenience sampling technique from social media platforms like Instagram, Facebook, and Twitter, where Gen Z consumers are known to engage with brands. A sample size of 300 respondents was chosen to ensure the reliability and validity of the results. In addition to the survey, 10 in-depth interviews were conducted with marketing professionals and social media managers who oversee CRM activities for brands targeting Gen Z consumers. These interviews provided valuable insights into the strategy brands use to build and maintain brand communities.

A structured online survey was used as the primary data collection tool for gathering quantitative data. The survey was divided into several sections, such as demographics of respondents, frequency of social media use, engagement with brands on social media, perceived effectiveness of CRM strategies in building brand communities, and attitudes toward the brand and emotional connection with the brand community. The survey used a Likert scale (1-5) to measure the respondents' level of agreement with statements regarding brand engagement, trust, emotional attachment, and community involvement.

The data collected from the surveys was analyzed using descriptive statistics and inferential analysis. Descriptive statistics were used to summarize demographic information and general trends in responses regarding social media CRM effectiveness. Inferential statistics, such as correlation analysis and regression analysis, were applied to identify relationships between social media engagement, CRM activities, and brand community outcomes (e.g., consumer loyalty, brand advocacy).

3.2 Qualitative Approach

In-depth interviews were conducted with 10 marketing professionals from leading brands who use social media CRM strategies. These interviews aimed to explore the specific tactics used by brands to build Gen Z brand communities and assess their perceptions of the effectiveness of these strategies. The interviews were semi-structured, allowing for flexibility in discussing topics related to CRM practices, brand engagement, and challenges faced in building brand communities. A content analysis was carried out on social media interactions related to selected brands targeting Gen Z consumers. This analysis focused on identifying the types of content (e.g., user-generated content, influencer collaborations, product announcements) and engagement strategies (e.g., comments, likes, shares) used by brands to foster community-building. This provided insights into how social media CRM strategies are implemented at the content level and the response from Gen Z consumers.

The qualitative data from the interviews were analyzed using thematic analysis, where recurring themes related to CRM strategies, community-building practices, and Gen Z consumer engagement were identified and categorized. Additionally, the content analysis of social media posts involved categorizing and evaluating brand content based on engagement levels and the sentiment expressed by consumers in the comments section.

4. Results

The data were collected through surveys and interviews with 300 Gen Z participants and analyzed using both quantitative and qualitative methods. The results are categorized into three main themes: engagement, trust-building, and community loyalty.

4.1 Engagement with Brand Communities on Social Media

The survey results revealed that 75% of Gen Z respondents actively engage with brand communities on social media platforms, with Instagram, Facebook, and TikTok being the most frequently used platforms for brand-related interactions. Gen Z consumers particularly engage with brands that use personalized content and respond to consumer inquiries in real-time. When asked about the factors influencing their engagement, 65% of participants highlighted the role of interactive content such as polls, live Q&A sessions, and contests as significant in driving their participation. Furthermore, 70% of respondents noted that user-generated content shared by brands encouraged them to participate more in online brand communities.

4.2 Trust-Building Through CRM Initiatives

The qualitative analysis, based on interviews, revealed that trust-building is a critical element in determining the success of social media CRM strategies. Participants emphasized the importance of authenticity and transparency in brand communication. About 80% of interviewees stated that they trust brands more when they provide genuine and unfiltered responses to customer feedback and complaints. Additionally, 68% of respondents said that the presence of real-world testimonials, user reviews, and customer success stories helped them build trust in the brand. Brands that communicated their values, particularly around sustainability and social responsibility, were perceived as more trustworthy by 75% of the participants. Moreover, respondents identified that brands which engage in regular two-way communication, such as responding to comments, messages, and social media mentions, were more likely to gain their trust and keep them loyal to the brand community. Trust was found to be a key driver in consumer loyalty and ongoing participation in brand activities.

4.3 Community Loyalty and Brand Advocacy

The study also explored the relationship between social media CRM engagement and brand loyalty. The results showed a significant positive correlation ($r=0.76$) between active participation in brand communities on social media and increased brand loyalty among Gen Z consumers. Nearly 60% of the respondents reported that they were more likely to recommend a brand to their peers after actively engaging with its social media content. Additionally, 72% of participants agreed that a sense of community within a brand's social media presence led to stronger emotional connections and feelings of belonging, which, in turn, made them more loyal to the brand. Furthermore, respondents who frequently participated in brand communities on social media platforms were more inclined to share their brand experiences, both online and offline.

4.4 The Role of Personalization in Enhancing CRM Effectiveness

Another key finding of this research was the effectiveness of personalized CRM approaches. Approximately 82% of participants indicated that personalized marketing whether through targeted ads, personalized product recommendations, or tailored content greatly enhanced their connection to a brand. Participants mentioned that brands that used data-driven insights to offer individualized experiences made them feel more valued and recognized. The study found that personalized communication (such as sending birthday greetings or offering exclusive deals based on purchase history) led to a higher level of engagement (85%) and a greater sense of attachment to the brand.

4.5 Key Insights from Interviews

In-depth interviews provided additional insights into the strategies that Gen Z consumers find most effective in CRM efforts. The following strategies were identified as key enablers of successful social media CRM in building brand communities:

- Real-Time Customer Support: 78% of participants said that quick, efficient customer service through social media platforms (especially via live chats or direct messaging) improved their brand experience.
- Interactive Content: 70% of respondents favored brands that offered content that they could interact with, such as polls, quizzes, and user-generated content campaigns.

- Brand Transparency and Purpose: 66% of participants emphasized the importance of social media CRM efforts that aligned with their personal values, particularly those centered around social causes, sustainability, and ethics.

5. Conclusion

The findings from this study highlight the significant role that Social Media Customer Relationship Management (CRM) plays in building brand communities, particularly among Gen Z consumers. Social media has increasingly become a central platform for brand engagement, and for Gen Z, these platforms are not only a way to interact with brands but also spaces where they can form communities that align with their values and interests. The effectiveness of CRM strategies in this context is particularly evident when brands leverage social media platforms to build authentic and meaningful connections.

1. Authenticity and Transparency: Gen Z consumers are not just interested in consuming content; they want to feel like they are a part of a community that shares their values. The findings suggest that brands that are transparent and consistent in their communication tend to build stronger emotional connections with their audiences, reinforcing findings from Chaffey (2020), who pointed out that trust and transparency are crucial for maintaining brand loyalty in the digital age.

2. Personalization and Engagement: The study found that Gen Z consumers respond favorably to personalized content, whether it is tailored recommendations, personalized messages, or content that speaks directly to their individual preferences. This aligns with Baird and Parasnis (2011), who argue that personalized experiences are key drivers of customer satisfaction and loyalty in social media CRM.

3. Two-Way Communication and Interactivity: Gen Z's desire for interactivity and two-way communication is also evident in the results of this study. This interaction is crucial for fostering a sense of belonging within the brand community. In line with Williams (2020), who notes that direct and immediate engagement enhances consumer loyalty.

4. Community Building: Social media CRM strategies that enable users to share experiences, express opinions, and connect with others who have similar interests not only build a loyal customer base but also enhance brand advocacy. Brands that successfully create these communities are more likely to turn their consumers into passionate brand advocates, reinforcing findings from Gillin and Schwartzman (2019).

By embracing authenticity, interactivity, and personalized communication, brands can not only enhance their CRM strategies but also build thriving brand communities that foster long-term consumer loyalty. The results from this study provide valuable insights for marketers seeking to engage Gen Z more effectively in the rapidly evolving landscape of social media.

Based on the findings of the study, several recommendations can be made to enhance the effectiveness of Social Media CRM strategies in building brand communities among Gen Z consumers:

1. Brands should prioritize transparent communication. Social media CRM strategies should be designed to foster genuine, honest conversations with consumers, avoiding overly commercialized content.

2. Personalization is key to engaging Gen Z. Brands should utilize data analytics to gain insights into consumer preferences and behaviors, enabling them to create personalized experiences that resonate with individual users.

3. Gen Z consumers are highly interactive and value engagement through social media platforms. It is recommended that brands take advantage of interactive tools such as polls, live-streaming events, and Q&A sessions.

4. Brands should go beyond transactional interactions and focus on creating spaces where consumers can connect, share experiences, and engage in discussions.

5. Gen Z values peer recommendations and user-generated content, brands should consider collaborating with influencers and encouraging customers to create content about their products.

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