

THE RELATIONSHIP BETWEEN SOCIAL MEDIA AND BRAND EQUITY

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Abstract— The main objective of this research is to study the relation between social media and brand equity. The self-administrated questionnaire has been distributed around Klang Valley in Malaysia. A total of 300 valid questionnaires were returned. Overall, four factors of social media (participating, conversation, sharing and publishing) and also the four factors of brand equity (brand association, perceived quality, brand loyalty and brand awareness) are very important. Finally, this study found that social media has a significant relationship with brand equity.

Keywords— Social Media, Brand Equity.

I. INTRODUCTION

Brands are everywhere and their importance to marketing success is undisputable [1] and brand equity itself to express the value added by the merit of its brand name [2]. Social media as the widely adopted marketing tool across digital platforms that can help leverage brand equity [3].

Many brands have significantly reallocated their marketing expenses away from traditional advertising [4] to social media where the resources invested create interactions that brands and consumers then mediate and circulate online [5]. With the exponential growth of the Internet, brands face challenges in how to maintain brand equity while harnessing the power of social media. Social media activities are influential in brand equity, especially related to perceived quality, brand awareness and brand loyalty [6].

II. OBJECTIVES

The main objective of this research is to study the relationship between social media and brand equity. Also, based on the literatures, we have developed a self-administrated questionnaire and tested the best-fit model.

III. LITERASTURE REVIEW

3.1. Social Media

The overall of social media landscape can be summarised into communication, sharing, publishing and participation [7].

Conversation allows consumers to participate in the brand-building process, regard them as co-creators and therefore brand value [8] [9]. Social media allows consumers to talk over and over again about the brands in a way that consumers are more likely to produce and reproduce the desired social meaning of the brand [10] [11] [12] [13] [14]. The topic of conversations that have been established around them

helps consumers in constructing and performing the desired purchase.

Social media has changed the user's role by collapsing the distinction between media consumers and marketers, and making users who participate by generating and circulating content the key element of any social media site [15]. Participation is essential for the sustainability of online communities. Motivating users to participate in community activities has been seen as the key to successful online communities [16]. Users might be motivated to actively participate in social media due to intrinsic factors, examples sense of curiosity, altruism, achievement, sense of efficacy and pleasure of sharing, and to different extension base on individual personality [17]. Even, study shows that those who have participated actively are the most connected [18]. Through active participation in online communities, consumers generate trust and commitment toward brands [19].

Consumers receive and share information about products and services through digital platforms, especially with other consumers via online comments and social networks [20]. Social networks bring people together to share their interests, opinions, lifestyles and activities. Social media integrates consumers with their own voice, not as passive respondents in their relationships with brands as in the past, rather as active members of brand communities [21]. Communities on social networks enable for a better distribution, include more personal feelings, and convenience to reach non-customers [22]. Consumers are more likely to rely on recommendations from a real consumer, rather than a marketing message. Through social networks, consumers are entrenched in the dissemination of information. Consumers are brands' storytellers and the new brand ambassadors [23].

The current social media applications cover a participative element, which encourages users to add,

edit or simply rehash content [24]. According to Bowden [25], social media marketing can be a tedious undertaking. However, digital marketers may get some helps from social media publishing tools to streamline their marketing activities. Normally, the publishing tools can help simplify and keep the activity more organised while retaining focus on marketing goals.

3.2. Brand Equity

Aaker [26] highlights four dimensions of brand equity, which are brand awareness, brand associations, perceived quality and brand loyalty. Brand awareness is identified in almost all brand equity models. Brand awareness can be defined as the ability of a potential buyer to recognise or recall that a brand is a member of a certain product category. Brand awareness covers brand dominance, brand knowledge, brand opinion and top-of-Mind [27]. Keller [28] elaborates further brand awareness as the ability of customers to identify a brand under different conditions and relate its name, logo, symbol and association in memory.

Aaker [26] discusses that brand association is the basis for purchase decision and loyalty of customers to a brand. Brand association consists of brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes [29] and anything linked in memory to a brand [30]. Overall, brand association can be categorised into product associations and organisational associations [31]. According to Chen [31], product association includes functional and non-functional attribute associations. The functional attribute involves tangible features of a product [32] [33] [34]. The non-functional attribute associations include symbolic attributes [35] [26] [33] [36] [37], especially related to intangible features that meet consumer needs for social approval, personal expression or self-esteem [32] [33] [34] [38]. The organisational associations refer to a company's expertise in delivering its social obligations [31]. This includes people, values, and programs that lies behind the brand [27].

Another dimension of brand equity is related to perceived quality. According to Zeithaml [39], customers evaluate overall excellence or superiority of a product, which is different from objective quality. The objective quality covers the technical, measurable and verifiable nature of products/services, processes and quality controls [40] [39] [41] [42] [43]. Even, Boulding et al. [44] mentions that quality has directly influence customers' perception.

According to Aaker [26], brand loyalty is a core dimension of brand equity. Even, there are different divisions and categories of brand loyalty [45]. Brand loyalty can be differentiated into four divisions, which are cognitive loyalty, affective loyalty,

conation loyalty and action loyalty [46]. Furthermore, Dick and Basu [47] divide specifically brand loyalty another four categories, which are true loyalty, spurious loyalty, latent loyalty and no loyalty.

IV. METHODOLOGY

4.1. Research Model

The research model has been formed as a result of reviews of the literatures (refer to Fig. 1). There are four factors under social media. This includes participating, conversation, sharing and publishing. For the brand equity, four factors have been highlighted in this model, which are brand association, perceived quality, brand loyalty and brand awareness.

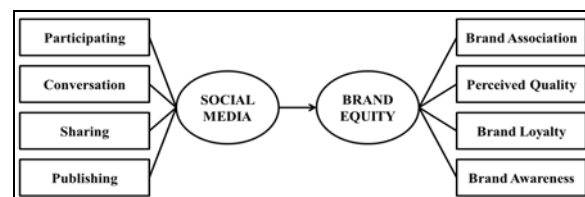


Fig.1. Research model

4.2. Questionnaire Design

A self-administrated questionnaire has been designed to serve the purpose of the research objective. This questionnaire has been distributed around Klang Valley in Malaysia and the focus group that has been selected is Malaysian. The questionnaire consists of three parts, which are demographics, questions related to social media and also brand equity. All questions for demographics are designed either based on nominal scale or ordinal scale, and all questions for social media and brand equity are based on interval scale.

4.3. Sampling

To complete this study, we have planned to collect a minimum of 200 samples. As mentioned by Malhotra [48], the minimum sampling size for problem solving research was 200 samples.

4.4. Data Analysis

We have used SPSS to analyse the data. The methods used include descriptive analysis, Cronbach's alpha, factor analysis and Pearson correlation.

V. RESULTS AND DISCUSSION

5.1. Demographics

A total of 300 valid questionnaires were returned. Overall, the largest group that took part in this study were those aged 39 and below. This accounted 90.66%. In terms of gender, the total number of respondents is relatively balanced. 141 respondents were male and 159 were female. 53.67% of the respondents were graduated with bachelor degree. This is followed by respondents who were graduated

with certificate or diploma and secondary school level. In terms of income, with the majority of respondents who holds a bachelor degree and below, it is not surprising that most of respondents have an income of RM5999 and below per month (refer to Table 1).

Table 1: Demographics

Variable	Frequency	Percentage
Age		
<20	25	8.33
20-25	143	47.67
26-29	57	19.00
30-35	31	10.33
36-39	16	5.33
40-45	11	3.67
46-50	7	2.33
>50	10	3.33
Gender		
Male	141	47.00
Female	159	53.00
Monthly Income		
<RM1000	86	28.67
RM1000-2999	76	25.33
RM3000-5999	88	29.33
RM6000-6999	23	7.67
RM7000-9999	13	4.33
≥RM10000	14	4.67
Education		
Secondary School	55	18.33
Certificate/ Diploma	62	20.67
Bachelor Degree	161	53.67
Master Degree	22	7.33
Doctorate Degree	0	0.00

5.2. Descriptive Analysis

Overall, four factors of social media (participating, conversation, sharing and publishing) and also the four factors of brand equity (brand association, perceived quality, brand loyalty and brand awareness) are very important. This can be referred to the mean scores for all factors that have been exceeded 3.000 out of 5.000 (refer to Table 2).

For social media, the highest mean score is publication factor. This is followed by sharing (3.5042), conversation (3.2693) and participating (3.0479).

For brand equity, the result shows that brand awareness has the highest mean score (3.9222). This is followed by brand association (3.7672), perceived quality (3.7067) and brand loyalty (3.1678).

Table 2: Descriptive Analysis

	Mean	SD
Participating (PA)	3.0479	0.69356
PA1	3.0333	0.97745
PA2	3.1233	0.92970
PA3	2.8933	1.02899
PA4	3.3000	1.01987
PA5	3.0833	1.04564
PA6	2.8533	0.98066
PA7	2.9433	0.98150
PA8	3.1533	0.88266
Conversation (CO)	3.2693	0.68680
CO1	3.2433	0.89075
CO2	3.3100	0.87356
CO3	3.2367	0.86592
CO4	3.2667	0.88213
CO5	3.2900	0.87662
Sharing (SH)	3.5042	0.70190
SH1	3.5733	0.91327
SH2	3.4600	0.91535
SH3	3.6400	0.88299
SH4	3.3433	0.86484
Publishing (PU)	3.5087	0.61882
PU1	3.8167	0.87499
PU2	3.6200	0.86299
PU3	3.2033	0.95483
PU4	3.4633	0.93357
PU5	3.4400	0.87308

Brand Association (BA)	3.7672	0.65541
BA1	3.6700	0.87003
BA2	3.6967	0.89105
BA3	3.6700	0.90397
BA4	3.8367	0.83204
BA5	3.7967	0.90076
BA6	3.9333	0.75551
Perceived Quality (PQ)	3.7067	0.60904
PQ1	3.6833	0.76047
PQ2	3.7500	0.77643
PQ3	3.6833	0.73815
PQ4	3.7033	0.73288
PQ5	3.7133	0.84866
Brand Loyalty (BL)	3.1678	0.96905
BL1	3.0733	1.16008
BL2	3.0900	1.03221
BL3	3.3400	1.09318
Brand Awareness (BR)	3.9222	0.75444
BR1	3.8900	0.87967
BR2	3.9833	0.92334
BR3	3.8933	0.89702

5.3. Cronbach's Alpha

We have conducted an internal consistency reliability analysis through Cronbach's alpha. This study shows that all values are greater than 0.70 (refer to Table 3). The value of 0.70 of the Cronbach's alpha is considered as acceptable for assuming homogeneity of items [49].

Table 3: Cronbach's Alpha

	N of Items	Cronbach's Alpha
Participating	8	0.856
Conversation	5	0.842
Sharing	4	0.792
Publishing	5	0.720
Brand Association	6	0.855
Perceived Quality	5	0.848
Brand Loyalty	3	0.860
Brand Awareness	3	0.788

5.4. Factor Analysis

According to Burns and Burns [48], the factor loading must be at least 0.3. Table 4 lists the factors in the order in which they were extracted from the data.

Table 4: Factor Analysis

	PA	CO	SH	PU	BA	PQ	BL	BR
PA1	0.784							
PA2	0.701							
PA3	0.544							
PA4	0.543							
PA5	0.517							
PA6	0.496							
PA7	0.422							
PA8	0.375							
CO1		0.616						
CO2		0.608						
CO3		0.581						
CO4		0.545						
CO5		0.481						
SH1			0.704					
SH2			0.691					
SH3			0.548					
SH4			0.495					
PU1				0.542				
PU2				0.502				
PU3				0.494				
PU4				0.470				
PU5				0.436				
BA1					0.695			
BA2					0.653			
BA3					0.632			
BA4					0.631			
BA5					0.522			
BA6					0.456			
PQ1						0.696		
PQ2						0.694		
PQ3						0.668		
PQ4						0.666		
PQ5						0.436		
BL1							0.795	
BL2							0.778	
BL3							0.738	
BR1								0.870
BR2								0.667
BR3								0.527

5.5. Relationship between Social Media and Brand Equity

Finally, this study found that social media has a significant correlation with brand equity. This can be referred to the value of the Pearson correlation (refer to Table 5), which is 0.474 and the correlation is significant at the 0.01 level (2-tailed). A study has been conducted previously by Karamian et al [6] also shows that social media helps firms to increase brand equity through networking, conversation, and community building. As discussed by Hollis [50], social media affects brand equity because consumers feel motivated to recommend a brand when it really resonates with them and also makes the brand seem alive and part of the contemporary scene.

Table 5: Cronbach's Alpha

	Brand Equity
Social Media	0.474**

** Correlation is significant at the 0.01 level (2-tailed).

CONCLUSIONS

This study has clearly found that social media has a significant relationship with brand equity. Even, all four factors of social media and also the four factors of brand equity are very important. Thus, social media has a significant relationship with brand equity in terms of social media opens a new direct communication channel between the brand and customers; and also social media concrete on relationship with customers.

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