Conceptualizing the social media communication impact on consumer based brand equity

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Abstract

Purpose of the article: The purpose of this paper is to identify the impact of consumer-brand communication in social media on brand equity, providing conceptual model.

Methodology/methods: The model was prepared using methods of comparative and systematic analysis of scientific literature.

Scientific aim: The scientific aim of the article to propose the perspective of social media communication impact on brand equity conceptualization. The key factors of consumer engagement in company (brand) communication process and amount of consumers created content (non-sponsored content, *i.e.* content created in interaction with company or brand, and sponsored content, *i.e.* content created in interaction with company (brand)) was under consideration.

Findings: Our findings attempt to provide a comprehensive understanding of company (brand) communication in social media seeking after a positive impact on brand equity dimensions. Theoretical analysis disclosed that it is not enough just to post message in a proper social media channel, it is essential to post appropriate content of the message and to post it in appropriate way in persuasion to engage consumers into communication. The consumer-generated content created in interaction with company and without interaction with company in social media is making impact on brand equity.

Conclusions: The study extends the literature by examining communication in social media from company to consumer perspectives in order to disclose changes in marketing communication as source of brand equity in virtual context and to present key factors influencing brand equity in company (brand) communication process. Therefore brand management perspective requires understanding of consumers' role in social media.

Keywords: communication in social media, brand equity, consumer-brand interaction, consumer-generated content

JEL Classification: M31

Introduction

Scholars and practitioners understand the importance of communication in social media, which can expand brand awareness, provide consumers with more positive associations and increase consumer loyalty to a brand, engage consumers in brand creation process, secure brand's reputation (Keller, 2009; Kim, Ko, 2012). Social media as influential tool can form consumers' attitudes and behavioural intensions, give more reliability and have greater impact on consumers' perception of products and brands (Goldsmith, Horowitz, 2006; Bambauer-Sachse, Mangold, 2010). Scholars and practitioners conceive consumer role in social media as influential actor, which is empowered to create content 24 hours a day and to choose by themselves communication channels. The trust of consumer generated content compere to company marketing actions is higher.

Previous studies analysed communication in social media seeking positive influence on brand equity from different perspectives. Hutter, Hautz, Dennhardt, Füller (2013), Schivinski, Dąbrowski (2013), Laroche, Habibi, Richard, Sankaranarayanan (2012), studies focused on the impact of communication on brand awareness and loyalty, consumers purchase intensions; Schivinski, Dąbrowski (2014), Christodoulides, Jevons, Bonhomme (2012) analysed consumer perception of brands; Bruhn, Schoenmueller, Schäfer (2012) investigated the impact of brand communication on brand equity (brand awareness, functional and hedonic brand image) in social media as compared to traditional media; Bambauer-Sachse, Mangold (2010) examined consumer-based brand equity dilution in social media. However more comprehensive analysis of communication in social media in pursuance of higher brand equity is missing.

This conceptual study identifies key factors of consumer engagement in company (brand) communication process and amount of consumers created content impact on brand equity. Finally, a conceptual model of communication in social media based brand equity is presented.

1. Communication in social media seeking impact on brand equity

Social media provided possibilities to change traditional marketing model one-to-many to new marketing models such as one-to-one, one-to-few, one-to-many, few-to-few, many-to-many (Muniz, Schau, 2011); to change mass communication to personalized and direct targeted (Peltier, Schibrowsky, Schultz, 2003); to reach directly consumers using new communication channels (social networks, forums, blogs and others) (Constantinides, Fountain, 2008) and to empower them to become the most active and influential actors in marketing communications process (Van Dijck, 2009; Pendleton, Lundstrom, Dixit, 2012).

This breakthrough in marketing communication encouraged companies to think about new marketing strategies which make a positive communication impact on brand as one of essential tools for competitive advantage. Frequent and everyday consumers encounter with brands can engage consumers in brand creation process (Keller, 2009; Fournier, Avery, 2011). Communication can strengthen brand equity dimensions such as brand awareness, associations and create brand resonance, *i.e.* loyalty to the brand (Keller, 2009). Brand awareness and brand image are the most important elements of brand knowledge.

In social media context loyalty can be defined not only selection of the brand as the first choice from others during purchase process, but also continual positive communication "word-of-mouth" about brand or advocacy (Wang, Yu, Wei, 2012).

Scholars make distinction between company created content and user generated content in social media. The main reason, for this division, is that company-created communication in social media is under the management of companies, while consumer-generated communication in social media is independent of the companies control (Schivinski, Dąbrowski, 2013; Bruhn, Schoenmueller, Schäfer, 2012). From our point of view, company – created communication without interactions with consumers is unreliable and will not be influential enough in social media. Namely brand and consumers interaction can strengthen brands positions (Beuker, Abbing, 2010).

Carson (2008) state, that consumers posts in blogs direct linking with company's web page reduce the creditability of posted opinion. Schivinski, Dąbrowski (2013) empirical study presents that consumers' communication in social media positively effects brand loyalty and perceived quality. In contrast, company communication in social media shows no influence on brand equity dimensions. Schivinski, Dabrowski (2014) empirical study disclosed that consumer-generated communication in social media had a positive influence on brand equity and brand attitude, company communication affected only brand attitude.

Looking from company perspective, it is purposeful to make distinction of communication in social

media based on interaction process (Shen, Bissell, 2013; Stewart, Pavlou, 2009). Thus, brand communication management in social media should involve two perspectives (Burmann, 2010; Laroche, Habibi, Richard, 2012): consumers–to–consumers communication (non-sponsored content, *i.e.* consumer-generated content, which occurs without the company efforts); communication between company (brand) and consumer (sponsored content, *i.e.* consumer-generated content created in interaction with companies' content).

This distinction reveals to what extent consumer generated content affect companies marketing communication. Therefore measuring communication impact on brand equity, it is necessary to estimate all the consumer-generated content which is created in interactions and without interactions.

Factors motivating consumers' engagement in consumer generated content creation are essential for company (brand) (Van Dijck, 2009; Kaplan, Haenlein, 2010; Kietzmann, Hermkens, McCarthy, Silvestre, 2011). Consumer generated content is sum of all consumers actions in social media (messages posting, shearing, commenting, reviews writing, tagging, profile editing and others). It is possible to find some similarities between consumer generated content and communication word-of-mouth (WOM) in social media, but consumer generated content include broader concept (Smith, Fischer, Yongjian, 2012). Wolny, Mueller (2013) state, that definition of WOM is expanded in social media and includes non-textual communications, *e.g.* as "retweeting" on Twitter, product reviews, ratings and other actions. This expansion depends on the characteristics of social media channel.

Consumer's contribution in social media depends on their engagement level (Shao, 2009; Smith, Zook, 2011). Scholars present from three to six engagement levels which reveal different consumers actions from lurking to active creation content, advocacy or curating (Dijkmans, Kerkhof, Beukeboom, 2015; Li, Owyang, 2010).

Smith, Zook (2011) presented ladder of engagement which can help to improve products and services, process in companies, to create brand loyalty. The lowest degree, when consumers engage via rating, discussions and reviews. The upper level, when consumers become co-creators of the content of organizations. The highest engagement defined as co-creation the products that will be bought by consumers subsequently.

Muntinga, Moorman, Smit (2011) proposed consumers COBRA typology *i.e.* consumers online brand-related activities which define consumers activities in social media from marketing brand related perspectives. In this study he used Shao (2009) proposed engagement levels: consumption, participation, creation and related them with consumers actions in social media. COBRA typology disclosed that different motives drive different consumer content types, such as retweets, posts, video shearing and others. Rauschnabel, Mau, Ivens (2013) adopted developed COBRA typology by Muntinga, Moorman, Smit (2011) to investigate the effect of personal characteristics on communication with interactions.

All consumers, even those who just lurk or watch content online are influenced by consumer generated content. This means that both types of communication (consumer-to-consumer and consumer-company (brand) can change brand knowledge and lead toward loyalty.

2. The role of consumer communicating in social media

The role of consumer communicating in social media is becoming an especially relevant topic, because deliver consumers with power to become influential. The consumers influence depends on consumers engagement level in co-creation (Smith, Zook, 2011), in interaction with brand (Hollebeek, Glynn, Brodie, 2014), in communication WOM (Van Doorn, Lemon, Mittal, Nass, Pick, Pirner, Verhoef, 2010).

Scholars define several reasons driving consumers' engagement in communication (content creation) in social media such as attitudinal antecedents (satisfaction, brand commitment and others), consumers goals, consumer resources (time, effort, money) (Van Doorn *et al.*, 2010). Mostly discussed factors are consumers engagement motives (Shao, 2009; Muntinga, Moorman, Smit, 2011). The psychological attributes are acknowledged as ones which make an impact on consumers engagement motives (Pagani, Hofacker, Goldsmith, 2011), therefore marketing strategies in virtual environment should be maintained on personality traits (Zhu, Zhang, 2010).

2.1 Consumer engagement motives in content creation

Some studies engagement motives analysed from uses and gratification perspective (Shao, 2009; Park, Kee, Valenzuela, 2009; Stafford, Stafford, Schkade, 2004), trying to understand "why" and "how" consumers use social media to satisfy their particular needs. This perspective is criticized because of the

lack of clear definition for motivation and other key concept (Muntinga, Moorman, Smit, 2011).

Other studies adopted McQuail's four-category motivation classification (entertainment, integration and social interaction, personal identity and information) used for traditional media which is also applicable to social media (Brandtzæg, Heim, 2009; Calder, Malthouse, Schaedel, 2009).

Muntinga, Moorman, Smit (2011) used McQuail's classification of motives and added two more remuneration and empowerment, with the aim of analyzing links between engagement motivations in social media and online brand-related activities. The study disclosed that consuming is driven by three motivation dimensions: information, entertainment and remuneration. Contribution to brand related content is promoted by personal identity, integration, and social interaction, and entertainment. The highest level of brand related activity is creation and it is driven by personal identity, integration and social interactions, entertainment. Empowerment is important motive as well because consumers are very conscious on their influence on other consumers in virtual environment. Possibility to make influence on other consumers and to change their decision is an important motive to engage in interaction with brand content.

2.2 Brand related activities in social media and personality traits

Thus scholars acknowledge personality traits or characteristics that affect the likelihood and level of consumer engagement in communication in social media (Ross, Orr, Sisic, Arseneault, Simmering, Orr, 2009; Van Doorn *et al.*, 2010), however there is lack of studies disclosing relations between brand equity and personal traits.

In order to understand how personal characteristics can make influence on co-creation, Füller (2010) states, that "consumers' creativity is important for the quality of their contribution, their web-exploration behaviour is significant for the "optimal design" of the virtual interaction experience". The author defined eight characteristics: domain specific skills, involvement in innovation activities, internet-specific novation task, involvement, adoption and innovativeness, novelty seeking, exploratory behaviour, Web usage, previous innovation activities.

Rauschnabel, Mau, Ivens (2013) examining the relationships between brand related activities in social media used personality traits. The *"Big Five" personality traits* or *Five factors model* was introduced by Allport and Odbert in 1936 (Calder, Malthouse, Schaedel, 2009). Consumers' traits defining dimensions are namely openness to experience, conscientiousness, extraversion, agreeableness and neuroticism. Each dimension is bipolar (extraversion vs introversion) and summarizes different specific aspects of personality, *e.g.* sociability involve the trait as communicability. These five dimensions where used in numerous studies Ross *et al.* (2009), Pagani, Hofacker, Goldsmith (2011) and scholars revealed personal traits relevance in predicting social interactions.

There is need for correlation between consumers traits and consumer-generated content analysis, because previous five factors model studies are concentrated on consumers' behaviour. These studies disclosed that openness to experience is related with wish to try out new methods of communication in social media (Correa, Hinsley, De Zuniga, 2010); agreeableness, extraversion and conscientiousness are directly related with intensions to share knowledge online (Cabrera, Collins, Salgado, 2006); conscientiousness and openness to experience both have a significant effect on all consumers engagement levels (consumption, participation, creation) in social media (Rauschnabel, Mau, Ivens, 2013).

3. Results

On the bases of theoretical analysis of existing literature on brand communication in social media, the
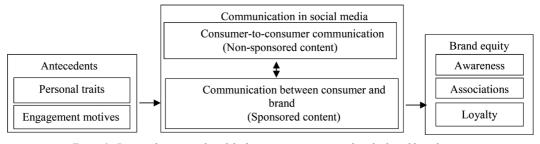

Figure 1. Proposed conceptual model of communication in social media based brand equity.

conceptual model of communication in social media based brand equity was developed (Figure 1). The model involves three blocks: antecedents, communication and brand equity.

The antecedents block discloses factors driving consumers to engage in virtual environment and to communicate with other consumers and brands. Personal traits have influence on consumers' motives and help to predict consumers' engagement actions in social media.

Second block – communication in social media involves consumer-to-consumer communication (non-sponsored content, *i.e.* consumer-generated content, which occurs without the company efforts) and communication between consumer and company (brand) (sponsored content, *i.e.* consumer-generated content created in interaction with companies content). Companies that are seeking interaction with consumers have to engage them actively asking for consumer contributions through blogs, contests, proposing for consumers appropriate message in appropriate way.

The third block – brand equity – is defined by three dimensions: awareness, associations and loyalty. The impact of communication in social media depends on company capabilities to manage communication with consumers and to perform consumers created content monitoring strategies.

The proposed conceptual model gives better understanding of main factors, influencing brand equity communicating in social media.

4. Conclusions and discussions

The study presents the approach how to manage consumer-generated communication in social media for higher brand equity. The company (brand) created content in social media without engagement of consumers is not influential enough therefore interaction with consumer should be taken under consideration. It is necessary to evaluate communication between consumer and company (brand) and consumer-to-consumer, when identifying the impact of communication on brand equity.

Consumers play the main role in both types of communication (with interactions and without interactions) and the both types of communication make influence on brand awareness, associations and brand loyalty. The key factors influencing consumers' engagement in social media communication are engagement motives (entertainment, integration, social interaction, personal identity, information, remuneration, and empowerment) and personal traits (openness to experience, conscientiousness, extraversion, agreeableness and neuroticism).

This study extends existing brand communication in social media literature, however there is need for the empirical examination. The empirical approval of this model will give more detailed understanding of consumers' motives and traits, the main factors affecting content creation in social media.

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