The Relationships of Social Media and Brand Equity

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Abstract
Social networks have been named as the next media for marketing. For them, blogs, Facebook or Twitter is helpful in understanding the thinking of the people behind the brands. They satisfy the desire of engagement with a brand they wish to be associated with. Their motives are connected to the ideas of corporate community and how successful brands promote their ideas. In the initial findings from this research, the brand equity is strengthened through the community members’ participation and involvement. By going to social networks, people can understand the personalities of the community members behind the scenes. In fact, this can provide more useful for the smaller organization as the owner can spend more effort on the small group of people. It allows that organization to be more responsive to audiences and consumer demands. It also allows the leader in the organization to have a better understanding for their members. Nevertheless, if the social media used correctly, it can provide useful tools for the brand as they allow the organization’s voice to come forward. Identifying the tiers of influencers and how they fit into a brand’s social media strategy will ensure a social media engagement that produces measurable results and a positive contribution to brand equity.

Keywords: social network, social media, SME and brand equity

1. Introduction
This study examined the determinants of brand equity on SMM activities and actual usage of SMM activities on event marketing. The theoretical basis of the study was derived from Brand Resonance on Brand Equity model and TAM model which adapted to reflect determinants relevant to a SMM activities usage on event marketing. The empirical test of the model demonstrated that usefulness of SMM activities on event marketing is significantly affected by brand awareness, brand attitudes, brand association, brand attachment and brand activities on SMM activities in event marketing industry.

The followings analysis is taken 250 completed e-survey as sample size for data analysis. The data collection process is ongoing at the moment in order to collection sufficient data for more accurate analysis.

The findings support our hypotheses that brand awareness of SMM activities has positive influence on perceived usefulness of SMM activities on event marketing. It is also support that brand awareness of SMM activities has positive influence on brand association, brand attachment, brand attitude and brand activities of SMM activities which in turn will have positive influence on perceived usefulness of SMM activities on event marketing.

The unique characteristics of the internet led to a new marketing e-communication model with companies using their websites in order to contact, interact and relate with their customers (Rowley, 2001). In this new two-way interactive marketing paradigm, corporations and companies seek new ways to gain competitive advantage by broadening the marketing and promotional applications of their virtual presence (Hoffman D. L. & Novak T. P. 1996). Brand Corporate or product-based advertising web sites have become the key medium of an organization to inform consumers, provide services, interact with various stakeholders, and increase purchase intention (Hwang J., McMillan S. & Lee G. 2003). Increasing consumers' involvement

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within the virtual environment is essential to co-create customer value, build and manage relationships (Nambisan S., Baron R. 2007). Enabling “dialogue “through communication facilities is important, companies should go one step forward in order to enhance consumers' overall online experience (Andersen P. H., 2005). With respect to advertising web sites where no commercial transaction is taking place, marketers in order to enhance web experience and improve brand acceptance and engagement, need to develop a highly interactive, to target group consumers (Rowley 2008). Attention should be shifted to their ability to fully utilise the medium's characteristics and support direct communication between companies and consumers, information gathering mechanisms with respect to consumers' requirements and also customer service if necessary (Barker C. & Groenne P. 1996).

Informational advertising web sites' objective is to impart, provide factual and sophisticated information about the products in order to satisfy the information motivation of consumers, while transformational web sites' main objective is to provide a meaningful, attractive, entertainment environment that will satisfy the social escapism consumers' motivation (Zhou Z. & Bao Y. 2002). Intermediate effects refer to actions & reactions that represent a positive or negative response to the advertising web sites such as “Attitude toward the site” (Bruner. G. & Kumar. A. 2000).

The internet has become a mass media vehicle for consumer-sponsored communications It now represents that number one source of media for consumers at work and the number two source of media at home. The internet reaches more than 60% of all United States consumers for an average weekly usage rate of more than 100 minutes (Rashtchy F., Kessler A.M., Bieber P.J., Shindler N.H., & Tzeng J.C., 2007). Consumers are turning away from the traditional sources of advertising. Consumers are also consistently demand more control over their media consumption. They require on-demand and immediate access to information at their own convenience (Vollmer C. & Precourt G. 2008). Consumers are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions (Vollmer C. & Precourt G. 2008). Social media is perceived by consumers as a more trustworthy source of information regarding products and services than corporate-sponsored communications transmitted via the traditional elements of the promotion mix (Foux G. 2006).

2. The Social Media Marketing (SMM) and Brand Equity

Aaker D. A. defines brand equity as a set of five categories of brand assets and liabilities linked to a brand, its name, and symbol that add to or subtract from the value provided by a product or service to a firm or to that firm's customers, or both. These categories of brand assets are (1) brand loyalty, (2) brand awareness, (3) perceived quality, (4) brand associations, and (5) other proprietary assets (e.g., patents, trademarks, and channel relationships. (Aaker D.A., 1991).

Keller K. L. defines brand knowledge consists of two major components: Brand awareness and brand image (Keller K.L. 1993). Brand awareness is related to the strength of the brand node or trace in memory, as reflected by consumers' ability to recall or recognize the brand under different conditions. It has both depth and breadth. The depth of brand awareness measures the likelihood that consumers can recognize or recall the brand. The breadth of brand awareness measures the variety of purchase and consumption situations in which the brand comes to mind. Brand Image is consumer perceptions of a brand as reflected by the brand associations held in consumers' memory such as types, strength, favorability and uniqueness of the brands.

SMM provides marketers and consumers with increasing opportunities for interaction and individualization. Companies can send tailored messages that can engage different segments of consumers by reflecting their special interests and behavior. The social media site is highly accountable and its effects can be easily traced. Online, advertisers can gauge response instantaneously by noting how many unique visitors click on a page or advertisement, how long they spend with it, and where they go afterwards. The challenge is that marketers will lose some control over what consumers will do with their online message and activity. However, the power of interactive marketing communications (IMC) as brand-building tool is its versatility.
IMC can positively impact every level of the Brand Resonance Model - 5As version (Keller K. L. 2010) as follows:

- **Brand Awareness**
  Interactive marketing can improve both the breadth and depth of brand awareness. The internet permits specific targeting of potentially difficult-to-reach groups, facilitating the creation of strong brand awareness for those market segments which are online. The web is especially effective at reaching people during the day. One of interactive marketing communication’s key advantages is the ability to reach customers as they seek information, heightening awareness at potential purchase opportunities.

- **Brand Associations**
  IMC can help establish a number of key performance and imagery associations for a brand relative to its competitors. On websites, marketers can provide much detail and supporting reason-to-believe for any advertised claims, even providing direct comparisons to competitors on prices, designs, and performance. Websites can also convey rich accounts of history, heritage and experiences, a key dimension of brand imagery. IMC can also help brand personality by its tone and creative content.

- **Brand Attitudes**
  IMC can encourage attitude formation and decision-marking, especially combined with offline channels. Because of the ability to deliver sight, sound and motion in all forms, IMC can create impactful experiential and enduring feelings.

- **Brand Attachment**
  IMC are perhaps most useful in creating attachment as it permits consumers to have daily or frequent encounters and feedback opportunities with a brand. These interactions can help strengthen brand attachment. Via bulletin board, blogs, and other means, IMC also help brand community among consumer and between the company and consumers.

- **Brand Activity**
  IMC can have greatest impact is active engagement with brand. IMC allow consumers to learn from and teach other about a brand as well as express their commitment to a brand and observe the brand loyalty of others. Company can explain their brand marketing rationale and treatment of their customers to proactively engage in online activities to co-create their brand experiences can be a powerful marketing tool. Yet, it must also be matched by attention to transparency, fairness, and privacy to reassure all consumers as to the safety and security of their online interactions with the brand (Urban, Glen, Amyx C, and Lorenzon A. 2009)

  Marketers need to decide whether their target demographic is right for SMM. If so, then they need to create social commerce strategy that focuses on increased awareness, improved brand recognition and reputation and improved customer experience by creating emotional connection through memorable SMM activities.

3. **Event Marketing**

   Event marketing is public sponsorship of events or activities related to sports, art, entertainment, or social causes. Although the origin of event marketing can be traced back to philanthropic activities over a century ago, many observers identify mega-events in the mid-1980s, such as 1984 Summer Olympics, Statue of Liberty Centennial, and Live Aid concert, as arousing marketers' interest in sponsorship in the United States (Cunningham S. P., Taylor S. and Reeder C. 1993).
Event sponsorship provides a different kind of communication option for marketers. By becoming part of and personally relevant moment in consumers’ lives, sponsors can broaden and deepen their relationship with their target market (Keller K.L. 2008). The reasons why marketers sponsor events: (1) to identify with a particular target market or lifestyle, (2) to increase awareness of the company or product name, (3) to create or reinforce consumer perceptions of key brand image associations, (4) to enhance corporate image dimensions, (5) to create experience and evoke feelings, (6) to express commitment to the community or on social issues, (7) to entertain key clients or reward key employees and (8) to permit merchandising or promotional opportunities. There are a number of potential disadvantages to sponsorship such as unpredictable event or clutter in sponsorship which out of the sponsor's control.

An “ideal event” is to match audience (right target group) to right event with sufficient brand awareness and brand image in specific target market. A huge amount of money and involvement of various stakeholders, marketers must choose potential events to meet with their marketing objectives and communication strategy defined for the brand. Nowadays, many sponsors (companies) create their own events with to match their company image with events in order to increase brand recognition. By combination of sponsor event and SMM, companies would be able to enhance brand recognition and brand recall with a view to enhance the brand awareness both online and offline.

There are two basic approaches to measuring the effects of sponsorship activities: (1) the supply-side method focuses on potential exposure to the brand by assessing the extent of media coverage, and the demand-side method focus on consumers' brand knowledge like brand awareness, attitudes or even sales.

Nowadays, event marketing consists of private event, corporate event, product-launched event, conference, trade show, public exhibition, world expo, or seasonal carnivals, etc. Event and exhibition organizers can be individual company, trade associations, and governments. In general, event marketing has been involving multichannel promotion mix.

4. Research Method & Hypotheses

By conducting the questionnaires research with marketers in the event marketing industry, using the Brand Resonance Model (5A's Model) (Keller K. L. 2010) related with SMM activities, we would like to investigate the correlation on the effects of SMM activities on event marketing to be useful to enhance Brand Equity. The factors analysis on five constructs of brand resonance model including brand awareness, brand attachment, brand associations, brand attitudes and brand activity with related to SMM activities toward perceived usefulness of SMM activities on event marketing. Base on the previous literature review on drivers of brand equity and social media, I expect that SMM activities have positive effect on brand equity in event marketing to be supported by five constructs of brand resonance model. Along with TAM model, it is hypothesized that SMM activities have high degree of perceived usefulness to marketers.

The followings are the six hypotheses were developed.

H1 Brand awareness of SMM activities has positive influence on perceived usefulness of SMM activities on event marketing
H2 Brand awareness of SMM activities has positive influence on brand association on event marketing
H3 Brand awareness of SMM activities has positive influence on brand attitude on event marketing
H4 Brand awareness of SMM activities has positive influence on brand attachment on event marketing
H5 Brand awareness of SMM activities has positive influence on brand activities on event marketing
H6 Brand Association, Brand Attitude, Brand Attachment and Brand Activities with positive influence on perceived Usefulness of SMM activities in event marketing
5. Data Analysis and Discussion

An online survey was used to collect data. “Survey Console “e-survey system was being used to conduct data collection. Around 250 nos. of e-survey being sent out to various stakeholders involving on event marketing campaigns, only 164 nos. of interviewees viewed the e-survey. Only 113 nos. interviewees started to answer the questionnaires. Eventually, only 69 interviewees completed the survey. The followings analysis is taken 69 nos. of completed e-survey as sample size for data analysis. The data collection process is an ongoing at the moment in order to collection sufficient data for more accurate analysis. Our target sample size is around 200 nos. of completed e-survey.

Among 69 nos. of completed surveys, there are 43.48% in the age of 36 or above, 33.33% in the age between 31 – 35, 11.59% in the age between 26 – 30 and 11.59% in the age between 18 – 25. There are 53.62% in female and 46.38% in male. There are 53.73% interviewees with experience of 1 – 5 years using social media marketing. There are 50.75% interviewees having post-graduate degree and 44.78% having undergraduate degree. There are 34.78% interviewees visiting 1 – 5 events per year; 21.74% visiting 6 – 10 events per year, 11.59% visiting 11 – 15 events per year and 24.64% more than 15 events per year.

The study examined the determinants of brand equity on SMM activities and actual usage of SMM activities on event marketing. The theoretical basis of the study was derived from Brand Resonance on Brand Equity model and TAM model which adapted to reflect determinants relevant to a SMM activities usage on event marketing. The empirical test of the model demonstrated that usefulness of SMM activities on event marketing is significantly affected by brand awareness, brand attitudes, brand association, brand attachment and brand activities on SMM activities in event marketing industry. The finding summary of hypotheses tests are listed below:
<table>
<thead>
<tr>
<th>Summary of hypotheses tests:</th>
<th>Supportive / Not supportive</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Brand awareness of SMM activities have positive influence on perceived usefulness of SMM</td>
<td>Supportive</td>
</tr>
<tr>
<td>activities on event marketing</td>
<td></td>
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<tr>
<td>H2 Brand awareness of SMM activities have positive influence on brand association on event</td>
<td>Supportive</td>
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<tr>
<td>marketing</td>
<td></td>
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<tr>
<td>H3 Brand awareness of SMM activities have positive influence on brand attitude on event</td>
<td>Supportive; however there will be negative influence when running</td>
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<tr>
<td>marketing</td>
<td>multi regression together with other factors such as brand</td>
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<td></td>
<td>association, brand</td>
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<td></td>
<td>attachment and brand activities.</td>
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<tr>
<td>H4 Brand awareness of SMM activities have positive influence on brand attachment on event</td>
<td>Supportive</td>
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<tr>
<td>marketing</td>
<td></td>
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<tr>
<td>H5 Brand awareness of SMM activities have positive influence on brand activities on event</td>
<td>Supportive</td>
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<tr>
<td>marketing</td>
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<tr>
<td>H6 Brand Association, Brand Attitude, Brand Attachment and Brand Activities with positive</td>
<td>Supportive; however Brand Attachment has negative influence on</td>
</tr>
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<td>influence on perceived usefulness of SMM activities in event marketing</td>
<td>perceived usefulness of SMM activities.</td>
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This study provides an in-depth investigation of SMM, Event Marketing and CBBE, a scarcely researched topic to combine three topics together. The SMM is getting more important in the mind of marketers. To address marketing ROI on SMM, monetary measure and quantified measures will not be enough. How to measure Brand Equity on SMM platform will be essential topic for every marketer to answer? By combining CBBE and SMM will be one of feasible solution to provide better ROI measures.

Like any research, this study has several limitations which should be understood before generalizing the results to other contexts and recommending future research. First, the respondents were mainly the practitioners related with event marketing in Hong Kong only. For greater validation for the generalized of the study's findings could be provided by examining other sample groups related with event marketing in other regions.

Second, the low respond rate of questionnaires was limited to the accuracy of study. This might cause by the questionnaires setting or content where respondents did not understand or familiar. This e-survey was sent to 164 interviewees who viewed survey with only 113 nos. interviewees started to answer the questionnaires however, with only 69 nos. respondents complete the survey. This is one of peculiar phenomenon by this e-survey. Normally, if interviewees not interested on answering e-survey, they could just delete the email or treat it like junk mail. However, if those interviewees viewed and started answering the e-survey and chose not to drop out the e-survey in the midway which might indicate that they might not familiar or understand with survey content.

Third, relatively small sample size with only 69 nos. of surveys will be insufficient to run the data analysis which also limited to the accuracy of model. It is recommended the date size should have at least 200 surveys in order to have more accuracy analysis on model.

By introduction of brand resonance model and TAM model to study the usefulness of SMM activities to enhance brand equity in event marketing industry which will lead to other study such as how can brand communities and social networks best be modeled, cultivated, and influenced by marketers? What is the relative impact of company actions, agents, and evaluators, and customer conversations (e.g. web sites) on brand equity? What is the relative importance of SMM consumer-controlled versus company-controlled communications? Does the SMM reinforce the effects of brand equity and its impact on consumer decision making? Does the SMM enhance retention rate on consumer re-purchase decision?
Reference