Creation of Brand Equity: Traditional Media Vs Social Media

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The media landscape has undergone an enormous transformation over the past decade. Social media, i.e. social networks or micro blogs, are increasingly replacing conventional media, and the new marketing opportunities seem unlimited. Consumers are becoming fans of brands on social media platforms and using social media as an increasing source of information about brands leads to the assumption that social media in addition to traditional marketing communication instruments exerts an important impact on a brand's success. The viral diffusion of information through social media has a far greater capacity to reach the public than "short tail" - media such as TV, radio, and print advertisements. The purpose of this study is identifying the impact of brand communication on brand equity through social media as compared with traditional media. The research data were collected through online survey and total of 276 participants completed the questionnaire. The study is descriptive in nature with the sampling method being simple random sampling. Regression and analysis of variance was adopted in this analysis to identify the interplay of social media on traditional media. The results of this empirical study proved that both traditional media and social media have significant impact on brand equity.

Keywords: Social media, brand equity, traditional media, brand awareness

Introduction:

The media landscape has undergone an enormous transformation over the past decade. Social media, i.e. social networks or micro blogs, are increasingly replacing conventional media, and the new marketing opportunities seem unlimited. Consumers are becoming fans of brands on social media platforms and using social media as an increasing source of information about brands leads to the assumption that social media in addition to traditional marketing communication instruments exerts an important impact on a brand's success. Companies invested more than 1.54 billion dollars for implementation and support of social media communications in 2008. This tremendous growth in social media is unlimited, as investments are expected to increase by more than 3 billion dollars per year by 2013.

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The rapid growth of social media has raised the question of whether this development has diminished the management's control over brand management. As social media offers an opportunity to millions of consumers around the world to talk to other consumers, so companies are no longer the sole source of brand communication. Moreover the customers who were using traditional media such as TVs, Magazines etc are turning to social media to gather more information about the brands and the product. Today consumers are willing to buying more branded products through social media rather than traditional media as they believe and trust the information what social media provides. Nearly 74% active internet users are there in India (IMRB) who uses social media. A study conducted by Nielson (2009a) 70% of the internet users' trust the evaluations of the consumers on the social media. Today marketing companies are taking more interest to promote their brands by communicating in social media platforms. Also consumers communicate which is called as user generated social media communication which is more powerful than company's communications. This is highly essential for a company as firm created brand communication can be controlled by company or brand manager whereas user generated communication is independent and not controlled by the company.

Review of Literature

Consumer-to-Consumer Communication:

Duan et.al (2008) explains the emergence of social media facilities consumer–to-consumer communications and accelerates communication to unknown consumers too. In this context Godes and Mayzlin (2004) explain that social media platforms are cost effective and simple alternative for accessing and gathering consumer –to-consumer communication. Liu(2006) confirms the impact that consumer-to-consumer communication has increased the company's revenue, in particular box-office revenue. De Bruyn and Lilien (2008) analyzed the consumer-to-consumer communication in different stages of viral marketing consumer's decision making process.

Marketing Communications on Marketing Outcomes:

Simon and Sullivan (1993) developed a measurement model of brand equity identifying marketing communications as one of the driving source of brand equity. Yooet.al(2000) studied that marketing communications put forth a positive influence on perceived brand quality as well as brand loyalty, brand associations and brand awareness. But however the previous research concerning the relationship of marketing communications and brand equity focuses only on traditional instruments of marketing communications (Aaker, 1991; Yoo et.al., 2000; keller and lehmann, 2003).

Trusov et.al. (2009) analyzed the relative influence of referrals compared to the traditional instruments of marketing communications on the membership growth of social media platform. The results proved that word of mouth referrals positively influence membership growth and have a substantially longer carryover effect than traditional marketing activities. In this context Stephen and Galak (2009) investigated on social media and traditional media affect sales, identified by the number of loans and the size of loans allocated to new and existing members of a micro-financing website. They demonstrate that both social media and traditional media have strong effects on marketing activities. However the author reveals that the effect of traditional media is stronger than social media.

The literature review demonstrates that consumer-to-consumer communication affects marketing outcomes. Bruhn et.al (2012) states that there is an impact on brand equity from both traditional media and social media, the study compared three different industry and concluded that both traditional and social media influence brand equity. But still there remains unclear from both traditional media and social media on target variables of brand management. This study builds on the research gap by investigating the individual impacts of social media versus traditional media on brand equity. To sum up this research aims at broader understanding of the roles and mechanisms of traditional and social media communication.

Conceptual Framework and Hypotheses Development:

Keller and Lehmann's (2003) brand value chain has been considered to build the conceptual model. Brand value chain focuses on different levels of effects caused by marketing mix efforts but the traditional brand value focuses on company oriented marketing communications and therefore does not consider the impact of communications on social media platforms. This gap has been identified and this paper and modified on both company and consumer communication activities. There are four levels in the basic structure of brand value chain: first the sender of the brand –based communication, second the consumer's mindset consisting of brand awareness and brand image, third consumer behaviour as reflected by word of mouth or purchase intention, fourth company financial performance in terms of turnover and market share.

The 2nd and 3rd levels constitute the consumers based brand equity which is termed as brand strength (Keller 2008).The focus of this study is to investigate the relative impact of company controlled and user generated brand communication on consumer based brand equity and therefore relates to the first three levels of brand value chain. This brand value chain are constituted by companies marketing communications, includes both traditional

media and as well as firm created social media and the communication between consumers i.e. user generated social media communication. Thus the study divides communication into traditional tools of brand communication and firm created and user generated social media communication. Consumers mindset is divided into two dimensions, namely, brand awareness and brand image. Here the brand image is further divided into hedonic and functional, following the differentiation made by Park and srinivasan(1994) between brand associations related to product's attributes and brand associations unrelated to its specific attributes. Consumers mindset influences actual behaviour of the consumers as a result of unobservable decision making process and purchase intention is considered as the behavioural outcome variable.

Conceptual Framework
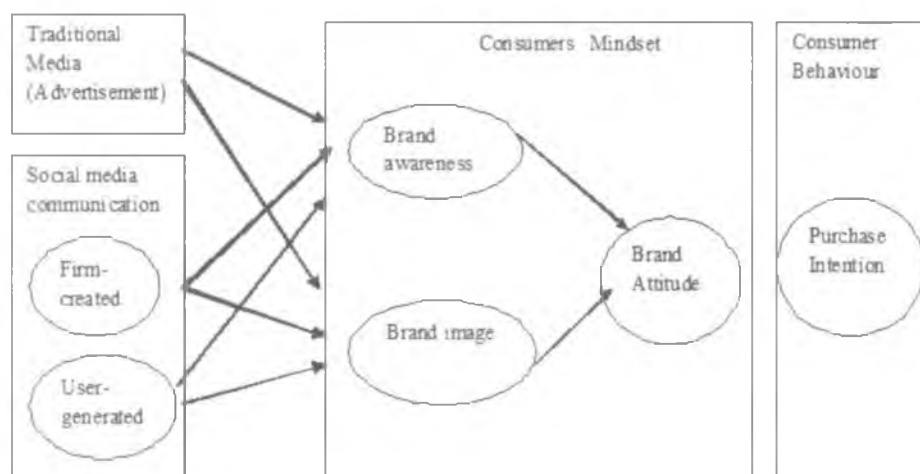
Communication stimuli trigger a positive effect in consumer so that the communication positively influences awareness and image of a brand. The brand communication is positively associated with brand equity as long as the communication leads to favorable consumer reaction to the product compared to the equivalent non-branded product (Yoo et.al.,2000). Social and traditional media play an important role in improving the brand equity and thereby simplifying consumer's brand choice (Yoo et.al. 2000). Marketers always aim to present their brand by communicating in both traditional and firm created social media, it is assumed that a positive evaluation of traditional tools of communications and firm created communication will positively influence brand awareness and brand image.

H1. A positive evaluation of brand based traditional media communication influences brand awareness and brand image.

H2. A positive evaluation of brand based firm created social media communication positively influences brand awareness and brand image.

Regarding user generated social media communication; it is not generally amenable to marketing communication or company control. Hence positive as well as negative brand related user generated social media communication may lead to high level of satisfaction and therefore are expected to increase brand awareness regardless whether the content influences positively or negatively.

H3. A positive evaluation of brand based user-generated social media communication positively influences brand awareness

The overall reaction of the brand is represented by brand attitude. According to the theory of reasoned action (Fishbein and Ajzen,1975) attitude comprises a combination of brand based associations of attributes and benefits assuming that brand attitude is influenced by brand awareness and brand image. The brand awareness effect on brand attitude based on user generated social media communication has taken into account. Both positive and negative user generated social media communication influences brand attitude through brand awareness. We assume that two possible indirect effects on brand attitude. If the consumers' brand awareness increases positively, then there will be positive indirect effect on brand attitude, and due to negative brand awareness, there will be negative indirect effect on brand attitude. The previous research results, which show that word of mouth has significant impact on brand awareness (Godes and Mayzlin 2009, Yoo et.al., 2000) the study assumes this overall positive effect on brand attitude when weighting the impact of the three forms identically. But however the relationship should be positive/negative of the user generated social media communication. Thus the hypothesis

H4: Brand awareness and brand image positively influence brand attitude.

The brand attitude further has a strong influence on purchase intention as this is considered to be a good indicator for behavioural intention. Studies also reveal that attitudes lead to purchase intention (Wang 2009).

H5. Brand attitude positively influences brand purchase intention.

Methodology:

Data collection was done through standardized online survey. The participant of this survey includes 276 who completed the questionnaires. The sector used for this study is telecom and is considered based on the relevance and they highly spend on social media. Moreover in India 49% of the users fall under the category of 18-24 years of age group who prefer to buy in social media and 76% of the population using social media are males (http://www.socialsamosa.com). The participants indicated all the brands,

from a selection of 10 best selling brands in the country which is recognized on social media platforms. This is based on the assumption that regardless the age's group consumers are exposed to each of best selling brands via traditional media as they have heavily invested. But however this does not hold for social media because of two reasons 1. Not all age groups are represented on social media platforms 2. Social media platforms are visited selectively by users as each one has its own focus. So the study ensured that participants had actually perceived a specific brand on social media in order to be eligibly participating in the survey. From the selection of brands by each participant's, randomly one brand was assigned to them. Possible bias for choosing a brand was avoided as there might be personal positive evaluation on the brands.

Results and Analysis:

Regression Analysis:

1. The impact of traditional media communication, firm created communication and user generated social media communication on Brand awareness was studied. The F value is 80.897 (p<.05) and was significant. The R square value is .472 which means that 47.2% of the variation in brand awareness was explained by three sources of communications that is traditional media communications, firm created communications and user generated communication.

2. The impact of traditional media communication, firm created communication and user generated social media communication on Brand image was studied. The F value is 453.343 (p<.05) and was significant. The R square value is .833 which means that 83.3% of the variation in brand image was explained by three sources of communications that is traditional media communications, firm created communications and user generated communication.

3. Regression analysis was conducted to study the impact of brand awareness and brand image on brand attitude. The F value is 203.325 (p<.05) and was significant. The R square value is .598 which means that 59.8% of the variation in brand attitude was explained by brand awareness and brand image.

4. Regression analysis for brand intention on purchase intention and the results are below.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.905[a]	.820	.819	1.264

a. Predictors: (Constant), brndatti

ANOVA[b]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1992.661	1		1992.661	1.247.000
Residual	437.698	274		1.597	
Total	2430.359	275			

a. Predictors: (Constant), brndatti
b. Dependent Variable: purcint

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.132	.368		-3.074	.002
	brndatti	1.123	.032	.905	35.319	.000

a. Dependent Variable: purcint

The F value is 1.247 (p<.05) and was significant. The R square value is .820 which means 82.0% of the variation   in purchase intention was explained by brand attitude.

Anova:
1.   Table showing research variables in relation to age

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Firmcrea	Between Groups	17.317	1	17.317	2.876	.091
	Within Groups	1649.680	274	6.021		
	Total	1666.996	275			
Usergen	Between Groups	43.040	1	43.040	9.006	.003
	Within Groups	1309.510	274	4.779		
	Total	1352.551	275			
Traditi	Between Groups	34.099	1	34.099	4.762	.030
	Within Groups	1962.191	274	7.161		
	Total	1996.290	275			

1.   Results indicated that there was a significant difference in user generated communication and traditional media communications (F=9.006,4.762 p<.05) among the different age groups of respondents.
2.   Results indicated that there was a significant difference in firm created and user generated social media communications (F= 9.023,8.932 p<.05) among the different education groups of respondents.
3.   Results indicated that there was a significant difference in traditional media communications (F=6.031, 7.034 p<.05) among the different occupation and gender of the respondents.

Suggestions:

The investigation shows that traditional media communication, firm created social media communication and user generated social media communication strongly influence both brand awareness and brand image relatively highlighting the importance of implementing a wide range of social media communications in the industry. Also brand awareness and brand image influence brand attitude in turn influencing the purchase intentions of the respondents. So firm should be very clear and careful in setting the strategies for communicating both in social media and traditional media for creating the brand equity. Further social media offers company numerous opportunities to list to their customers, engage them and also influence them. Companies should view social media as a essential component of their marketing mix and try to integrate them in their marketing communications in order to increase brand equity. The rising trend of using social media will definitely influence for creating the brand equity of the firm in future. Moreover the cost involved for communication in social media is low when compared to the traditional media instruments such as advertisement, T.V channels etc. So the firms can take the advantage of using social media for their marketing communications to reach their customers and create customer based brand equity.

Limitations and Future Research:

The following limitations of the study need to be acknowledged. The study uses advertisement as a proxy for traditional instrument for communications; future researchers can adopt the other instruments for marketing communications. The future research can also be investigated in various industries as this would yield a clear indication for various mechanism operating with different brands.

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