

Impact of firm-created and user-generated social media communication on brand associations

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Abstract. The purpose of this article is to study the impact of firm-created and user-generated social media communication on brand association through Facebook. This study evaluated 262 data sets that were generated through a standardized online survey to investigate the impact of firm-created and user-generated social media brand communication on brand associations, across 3 brands within the mobile network service providers in Sri Lanka. The study was applied a structural equation modeling technique to investigate the effects of social media communication on brand association. The results of the empirical studies showed that both firm-created and user-generated social media brand communication influence brand associations. This study is pioneering in that it exposes the effects of two different types of social media communication such as firm-created and user-generated social media brand communication on brand association, this study of relevance for both marketers and scholars in the era of social media. Additionally, this included the recommendations for practitioners, strategies to create effective social media brand communication.

Keywords: Firm-created and User-generated social media brand communication, Brand Association, Facebook, Marketing communication

1 Introduction

Businesses have been endorsing their brands and communicating the related information using social network sites (Kaplan and Haenlein, 2012). It has been projected that 63.4 percent of mobile phone users will access the Internet from their devices by 2019. As at January 2018, there are as many as 3.7 billion mobile Internet users worldwide (Internet World Stats, 2019) and more than 2.41 billion monthly active users with Facebook being the most used social network globally (Facebook, 2019). The conventional way of marketing is now being transformed by social media. Brand communication that was once dominated by marketers is now increasingly being shaped by Internet users. Communication is now characterized as being multi-dimensional, two-way and peer-to-peer. This current study offers a deeper understanding of the impacts of brand communication developed by firms and users via Facebook. The distinction between the two social media communications must be acknowledged as one indicates firm control and the other free of firm control.

The prominence of social media today has prompted academicians and researchers to explore the ways that social media persuade how consumers perceive business brands because as it is, there is still very little data on how social media brand communication affects consumer brand association. Such investigation is also important because social media brand communication could have different practitioner-used strategies and consumer-generated contents (Wang and Li, 2012). A conceptual model is hence developed to fill this gap by investigating the effects of social media brand communication created by firms and

generated by users on brand associations. In line with the above, this research question was developed: How do firm-created and user-generated social media brand communication impact brand association? To answer this question, a research objective was developed to investigate the effect of firm-created and user-generated social media brand communication on brand association.

2 Review of Literature and Conceptual framework

Lifestyle patterns and innovative practices are increasingly being transformed by cutting-edge interactive technologies. The significance of the Internet has finally grabbed the attention of organizations that are now taking control over it and getting involved in online groups (Berthon et al., 2012). Internet users have been exposed to various online applications including social media. Firms and customers can now engage with each other in various ways due to the availability of social media. Businesses need to engage with customers to build positive perceptions of their products, disseminate information as well as exchange knowledge (Brodie et al., 2013). Social media is now a widely popular platform that appeals to all layers of society. For businesses, the Internet's massive popularity is due to its capability to disseminate information and making it viral. Furthermore, the Internet allows users to create their own content and share it to the public (Kaplan and Haenlein, 2012). User-created content can include information about various brands and products thus rendering companies to no longer be in control in disseminating information about their own brand/products. Research has indicated that user-created information published via social media is more reliable than those disseminated via traditional marketing instruments used by businesses (Karakaya and Barnes, 2010). This knowledge is important for marketing and brand managers to take full advantage of the benefits of using user-generated information shared via social media (Smith et al., 2012).

There are two types of social media brand communications i.e. firm-created and user-generated social media communication whereby the former is controlled by companies and the latter by independent users (Vanden Bergh et al., 2011).

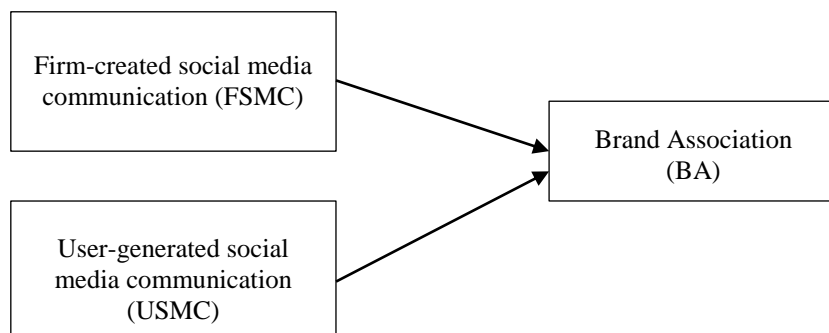


Fig. 1. Conceptual framework

2.1 Brand associations

Researchers have studied the concept of brand equity for more than a decade considering its significance for modern-day organizations. There are two prominent conceptualizations of brand equity. According to Keller (1993), it is “the differential effect of brand knowledge on consumer response to the marketing of the brand”. This conceptualization revolves around brand knowledge and its dual components of brand awareness and brand image. Brand awareness, brand associations, perceived quality and brand loyalty are considered the assets in this conceptualization apart from other trademarked resources. This current study revolves around brand associations consistent with the conceptualizations made by Yoo et al. (2000). The definition of brand associations according to Yoo *et al.* (2000) is “whatever that consumer relates to brand. It can include consumer image-making, profile of the product, consumer’s conditions, corporate awareness, brand characteristics, signs and symbols”. A positive customer effect is prompted by communication; hence, brand communication has a positive correlation with brand association whenever the conveyed message triggers a favorable customer reaction towards the branded product in comparison to an equivalent but non-branded product (Yoo *et al.*, 2000). These brand associations comprise numerous ideas, episodes, instances and facts that make up a whole brand knowledge system (Yoo *et al.*, 2000). Marketers and managers need to know of these associations in order to position their brands, differentiate practices, and create positive brand attitudes. In addition, multiple communication-related experiences or exposures can solidify brand associations (Aaker, 1991).

2.2 Firm-created social media communication

Studies on firm-created social media brand communication focus more on word-of-mouth (WOM) and eWOM (Chu and Kim, 2011). Firm-created WOM is a mix of conventional advertising and consumer WOM i.e. initiated by the firm but implemented by the consumer. Apart from being cost-effective, social media channels enable companies to access consumer-to-consumer interaction. Proactive consumer behavior is in turn empowered by the use of the Internet. The development of online brand communities contributed to the increased popularity of user-generated social media brand communication. Publicly available user-generated content requires a degree of creativity that is beyond traditional practices (Smith *et al.*, 2012).

2.3 User-generated social media communication

User-generated social media communication has gained popularity and as per the definition provided by OECD (2007), the user-generated social media communication is defined as the content that is made publicly available over the Internet, that reflects a certain amount of creative effort and created outside professional routines and practices. This study focused on the content generated by users on Facebook and its impact on brand association.

It has been indicated that brand communication enhances brand association via the increased likelihood that customers will choose a brand due to habit which lessens the time spent on decision-making (Yoo *et al.*, 2000). Bruhn *et al.* (2012) also indicated that communication has a positive effect on brand association. Similarly, Hutter *et al.* (2013) observed a positive relationship between a consumer’s Facebook brand fan page engagement and his brand awareness. Based on these studies, it is expected that there is a

positive correlation between a brand communication and brand associations. The hypotheses below were hence formulated:

H1: A firm-created social media brand communication positively influences brand associations.

H2: A user-generated social media brand communication positively influences brand associations.

3 Methodology

In examining the effect of social media brand communication on brand association in this study, three brands associated to mobile network providers were investigated. The respondents of the study were asked to reveal a brand that they have “Liked” on Facebook. By “liking” a Facebook brand or product page, they will start receiving contents created by the administrator and other users who had “liked” the same page. This means that consumers are exposed to social media communication from both companies and users who had “liked” the same brand page on Facebook.

Data collection was conducted using a standardized online survey posted on Facebook. Facebook users were invited to participate in the study via a link that directs the potential respondents to the survey; the link was posted multiple times on brand fan pages. The selected brand fan pages belong to one of the three product categories used in this study.

The survey invitation contains information about the study topic and suggestion for the respondents to share the post with their Facebook friends who had received similar contents from the same brand fan page. In the survey, the respondents were asked about the frequency of contents they receive from the brands they had “Liked”, whether they read the newsfeeds, and whether they keep up with posts made about the brand. A total of 273 questionnaires were gathered, but only completed ones were used in the analysis i.e. 262 questionnaires entailing 3 brands. The English language was used as the medium for the questionnaire. The questionnaire items were mostly adapted from other studies and measured using the 5-point Likert scale with 1 being “strongly disagree” to 5 being “strongly agree”. The four-item scale adapted from Yoo *et al.* (2000) was used to measure brand associations. Lastly, three items taken from Bruhn *et al.* (2012) and two new items by the researcher were used to measure firm-created and user-generated social media communication.

4. Results

Cronbach’s alpha and the confirmatory factor analysis (CFA) were used to measure the reliability and validity of the measurements. The alpha coefficients yielded by the constructs in this study were between 0.83 and 0.94. An exploratory factor analysis using the maximum likelihood method and Promax rotation was also carried out. Out of the total variance, 72.66 per cent was explained from the extracted factors. The threshold of 0.70 was exceeded for all factor loadings as suggested by Hair *et al.* (2010) and no items cross-loadings had occurred.

Next, the scales for measuring the latent variables were validated. A single multifactorial CFA model in AMOS 22.0 software was used to measure all the independent and dependent variables. Composite reliability (CR), average variance extracted (AVE), maximum shared squared variance (MSV) and average shared squared variance (ASV) were

used to determine the convergent and discriminant validity. As per the table 1, the CR measurement yielded values between 0.73 and 0.82 whilst the AVE yielded values between 0.52 and 0.79 i.e. higher than the recommended threshold of 0.50. Overall, the CR values topped the AVE values. The MSV and ASV values were less than the AVE (Hair *et al.*, 2010).

Table 1. Correlation matrix and indicators of reliability and validity

Constructs and measurements	CR	AVE	MSV	ASV	Fcsc	Ugsc	Ba
FSMC	0.810	0.654	0.342	0.142	0.762		
USMC	0.814	0.787	0.353	0.089	0.520	0.789	
BA	0.728	0.524	0.056	0.032	0.167	0.206	0.743

A good t value was yielded by the CFA model. The Cmin/df value was 1.35, the comparative t index (CFI) value was 0.87, the Tucker–Lewis index (TLI) was 0.89, the root mean square error of approximation (RMSEA) value was 0.05. All the generated values remained within the suggested threshold by Hair *et al.* (2010). The SEM in AMOS 22.0 was used to test the hypothesis, and a good t value was again yielded by the model. The Cmin/df value was 2.26, the CFI value was 0.83, the TLI value was 0.83, the RMSEA value was 0.06. The table 2 and table 3 given below explain the model goodfit and hypothesis test accordingly.

Table 2. Model Goodfit

Cmin/df	CFI	TLI	RMSEA
1.35	0.87	0.89	0.05

Table 3. Hypotheses testing results

Cmin/df	CFI	TLI	RMSEA
2.26	0.83	0.83	0.06

The summarized statistics demonstrate the hypotheses testing results. Firm-created social media brand communication demonstrated a positive effect on brand associations, thus confirming H1 based on the Standardized structural coefficients of the model $\beta=0.16$; t-value 2.30; p-value 0.03. User-generated social media brand communication on Facebook was shown to positively influence brand association, thus supporting H2 based on the Standardized structural coefficients of the model $\beta=0.14$; t-value 1.83; p-value 0.02.

5 Discussion and implications

Social media has changed the way marketing managers communicate with consumers beyond what the traditional methods could achieve. Nevertheless, rapid technological developments hinder a full understanding of what social media communication can really contribute to brand visibility. Hence, this current study intends to fill that gap by offering conceptual insights of how social media brand communication can boost brand association.

The findings show that firm-created social media brand communication effect brand associations. Consumers often ignore firm-created values despite active social media marketing. User-generated social media brand communication, on the other hand, has a

more positive effect on brand associations as consumers perceive it to be more trustworthy and reliable. The findings also show that the opinions of family members, friends and other users are influential in swaying a consumer's perception of a certain brand. Furthermore, the credibility of firm-created and user-generated social media brand communication is an important factor considered by consumers in line with the findings of Bruhn *et al.* (2012). Hence, firms should retain their social media advertising but at the same time encourage consumers to create their own content related to the firm's brand. Mobile service network brand users are shown to be affected by both firm- and user-created social media brand communication. Social media brand communication by firms is in the form of advertisements that create brand awareness and affirmative associations via intense combinations of images and texts that describe the benefits of the brand.

Hence, based on the findings, an effective social media brand communication practice would be one that involves firm-created communication i.e. creative and lively advertisements that support brand awareness and associations as well as user-generated communication i.e. the "liking" and other responses to contents in a brand's social media fan page which promotes brand association. As a whole, firm-created social media brand communication has a positive impact on brand association when marketers take advantage of user-created social media content. Marketers should still do their part in stimulating user-generated contents such as by organizing exclusive campaigns including discounts, lucky draws and invitations to popular events which prompt users to have direct engagement with the fan page and the brand's users.

Therefore, social media offers a multitude of ways for user interaction including the sharing of opinions and creation of contents related to a certain brand. The combined usage of firm-created and user-generated social media brand communication opens up even more prospective avenues to increase brand equity. Marketing agendas today need to integrate social media brand communication. It is high time for practitioners to start using the Internet to its fullest potential in this regard considering that the technology has now become an integral part of our daily lives. Practitioners should also take note of the findings above in their effort to boost their brand performance. Some of the limitations in this study can serve as a guide for future researches. A deeper understanding of social media communication is needed considering its distinct features in different channels (Smith *et al.*, 2012). Its use in other industries should also be explored to determine how consumers perceive brands in various industries via social media. Future researches replicating this current study could also incorporate more items in the measurement model.

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