



## SOCIAL MEDIA MARKETING AND ITS INFLUENCE ON BRAND EQUITY WITH SPECIFIC REFERENCE TO CHENNAI CITY

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**Abstract:** Due to the recent technological development, an increasing number of firms are turning to social media as an engaging platform for effective marketing. Initially, social networking was viewed as only a way to stay in touch with friends and family. Social media allows for interactive engagement with a large number of individuals in order to send messages, feelings, and emotions (Hossain & Sakib, 2016). Theoretically, the findings of this study will add to the literature on the antecedents of brand Equity. The study then goes on to detail the research methodologies, rationalise the empirical methodology and explain the findings. The primary goal of this research is to determine how social media marketing influences brand equity. A study of the literature indicates a scarcity of studies looking into these connections. Undertaking a study of luxury companies in Korea, Kim and Ko (2012) characterise Social Media Marketing activities as covering five dimensions: entertainment, engagement, trendiness, customisation, and word of mouth (WOM). These parameters have also been utilised in another study done in Italy on Social Media Marketing activities on premium companies (Godey et al. 2016). This research has a number of management ramifications. This research provides a road map for managing successful SMM activity and advises marketers on how to utilise social media to create brand loyalty more effectively. Marketers now receive information from customers on what motivates them to engage in social media activity. As a result of acquiring an in-depth understanding of SMM activities, this research offers marketers with techniques for effectively participating in social media for developing brand equity.

**Key Words:** Social Media Marketing – Brand Equity – Word of Mouth (WoM) – Customization – Brand Loyalty.

### 1. INTRODUCTION:

Due to the recent technological development, an increasing number of firms are turning to social media as an engaging platform for effective marketing. Initially, social networking was viewed as only a way to stay in touch with friends and family. Social media allows for interactive engagement with a large number of individuals in order to send messages, feelings, and emotions (Hossain & Sakib, 2016). Due to the ease of sharing and accessing information, communicating, and creating content online, social media has reached billions of individuals throughout the world in the previous decade (Hajli, 2014). People spend over a third of their time communicating on social networking sites online (Lang, 2010). Furthermore, through various virtual communities, social media allows users to connect with like-minded people and businesses (Hagel & Armstrong, 1997; Wellman & Gulia, 2018).

As a result, researchers and industry experts eagerly advise businesses to participate in social media and benefit from it (Kaplan & Haenlein, 2010). For a long time, marketers' research has focused on how to build and sustain brand Equity (Bennett & Rundle-Thiele, 2002; Chaudhuri & Holbrook, 2001; Oliver, 1999). Marketers have used a variety of platforms and methods to create brand Equity, including traditional marketing mix elements, internet marketing, and social media marketing (Keller, Parameswaran, & Jacob, 2011). From a strategic standpoint, it's critical to understand how different aspects of social media marketing (SMM) influence brand Equity with specific reference to Chennai City. Furthermore, research into the properties of social media marketing from a branding viewpoint is still exploratory and deficient in empirical proof (Hollebeek, Glynn, & Brodie, 2014). This research fills up the gaps in the literature. The goal of this article is to show how the SMM features (brand community, entertainment, interaction, and personalization) promote brand Equity among customers in Chennai City. We put this model to the test and look into the role of brand Equity with social media marketing, which has been overlooked in earlier research (Laroche, Habibi, Richard, & Sankar Narayanan, 2012).

Theoretically, the findings of this study will add to the literature on the antecedents of brand Equity. From a practical standpoint, this research will allow marketing managers to use social media to increase brand Equity. The study



begins by beginning a conceptual framework that depicts the elements of social media marketing and brand Equity. The study then goes on to detail the research methodologies, rationalise the empirical methodology and explain the findings.

**2. LITERATURE REVIEW:**

It is greatly influencing the way consumers develop their brand preferences and choices and thus brand loyalty and equity. Therefore, there is a great need for marketers to study and establish the relationship between these concepts in order to be competitive in the future (Zahoor, et al, 2018).

The study reported that the Facebook platform was dominant among studies, several industries were tested and most studies have reported the five dimensions of social media. To sum up, social media marketing positively impacted CBBE dimensions namely brand awareness, perceived quality, asocial and loyalty (Ra'd Amestarihi, 2021).

The findings suggest that user-generated social media communication (UGSMC) such as customer reviews plays an important role in creating positive perception towards online purchase of financial products, thereby impacting the brand attitude (BA) and brand equity (Bidyand Jha, 2019).

Using a descriptive research design the construct was tested by correlation and multiple regressions to find the effect of marketing mix elements on brand equity. The results show that frequent price promotions, such as price deals, are related to low brand equity, whereas high advertising spending, high price, good store image, and high distribution intensity are related to high brand equity (Gomathy. M & K.K. Sabari Rajan, 2018).

**2.1 SMM and Brand Equity:**

Brand Equity is a marketing term that describes a brand's value. That value is determined by consumer perception of and experiences with the brand (Shopify Solutions, 2022). Brand Equity may be defined as a value premium that a company generates from a product with a recognizable name when compared to a generic equivalent (Adam Hayes, 2022). Brand Equity does not refer to a brand's financial value. It is determined, instead, by consumer perception and is driven by positive or negative customer experience (bynder, 2023). Brand equity is a crucial asset, as it helps to differentiate one company's products from another. Therefore, the companies spend so much time and effort marketing their products to create a distinct impression in the minds of consumers (Joei Chan, 2022)

**2.2. Components of Brand Equity:**



Brand Awareness	Brand awareness is all about what and how much consumers know about the brand.
Brand Participation	Brand perception is what people and consumers feel and think of the brand.



Brand Differentiator	For every brand to be successful and have good brand equity, it must have a strong differentiator from its competitors.
Brand Relevance	Brand relevance is the measure of how relevant the brand is in its industry and niche.
Brand Loyalty	Easily the greatest and most important component of brand equity is the power of brand loyalty.
Brand Value	Brand value or Brand worth is mostly a financial component.

Source: <https://visme.co/blog/brand-equity/>

### 2.3. Conceptual model and hypothesis Development:

The primary goal of this research is to determine how social media marketing influences brand equity. A study of the literature indicates a scarcity of studies looking into these connections. Several aspects have been identified as variables composing Social Media Marketing. Undertaking a study of luxury companies in Korea, Kim and Ko (2012) characterise Social Media Marketing activities as covering five dimensions: entertainment, engagement, trendiness, customisation, and word of mouth (WOM). These parameters have also been utilised in another study done in Italy on Social Media Marketing activities on premium companies (Godey et al. 2016). Our study keeps the extents of entertainment, interaction, and customisation, which are deemed important to the setting, and adds the dimension of brand community (e.g. Srinivasan, Anderson, & Ponnaolu, 2002) as a variable that affects Social Media Marketing, based on various studies.

The following conceptual Figure 1 shows the study model that describes social media marketing strategies and their impact on brand equity. SMM practises are divided into four categories: (1) brand community (2) entertainment (3) interaction (4) customization. The independent variable of brand equity is social media marketing tactics. Brand equity is influenced by SMM.

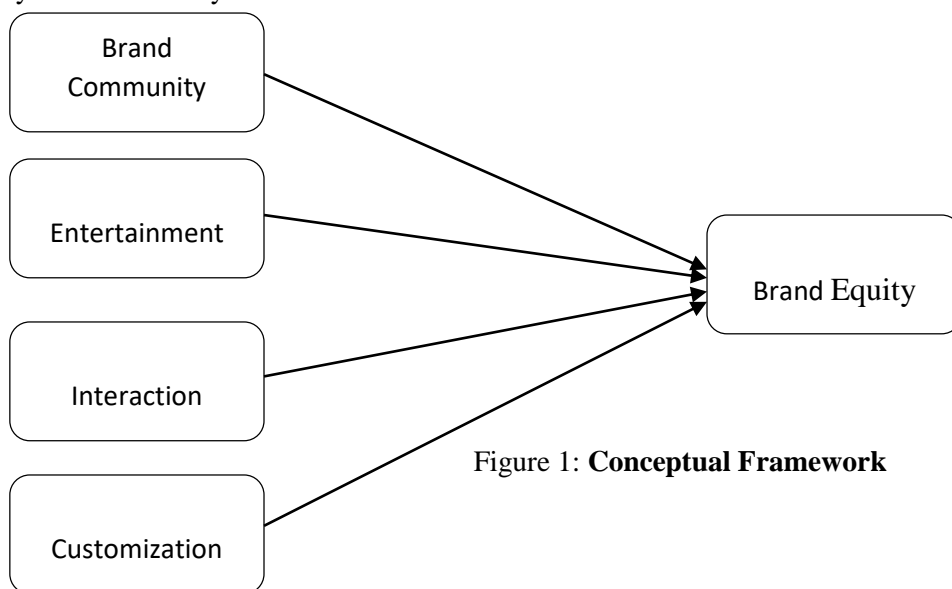


Figure 1: **Conceptual Framework**

### 2.4. Hypothesis development

The brand community, according to Muniz and O'guinn (2001), is a “specialised, non-geographically linked society, built on a structured system of social connections among brand admirers.” Customers' one-on-one relationships were proven to be difficult to manage and inefficient, therefore brand communities were created to fulfil them (Laroche, Habibi, Richard, & Sankaranarayanan, 2012). The benefits of a brand community include facilitating information exchange, enhancing a brand's lifespan, providing consumer assistance, and favourably affecting brand loyalty (Muniz & O'guinn, 2001).

H1: Brand communities in social media positively influence brand equity.



The satisfaction and pleasure derived through social media involvement is referred to as entertainment (Agichtein, Castillo, Donato, Gionis, & Mishne, 2008). When someone uses social media, they are perceived as pleasure seekers who are exposed to entertainment and delight, and so feel delighted (Manthiou, Chiang, & Tang, 2013). Several studies have identified pleasure as a primary motivation for using social media (Kaye, 2007; Muntinga, Moorman, & Smit, 2011; Park, Kee, & Valenzuela, 2009). For example, Shao (2009) cites amusement as a compelling reason for viewing user-generated content (UGC). Similarly, Park, Kee, and Valenzuela (2009) claim that amusement is a motivating reason for participation in social networking sites to some level. According to Muntinga, Moorman, and Smit (2011), some users unwind and enjoy themselves by surfing brand-related information in their spare time.

H2: Entertainment through participating in social media positively influence brand equity.

Social media interaction is fundamentally changing how companies communicate with their customers (Gallaughier & Ransbotham, 2010; Kaplan & Haenlein, 2010). Users that utilise brand-affiliated social media platforms to meet other individuals who use similar products/brands and share their thoughts are referred to as social interaction (Muntinga, Moorman, & Smit, 2011). Brands may develop a user-inspired theme through social interactions, according to Daugherty, Eastin, and Bright, L. (2008). It will assist consumers in sharing their thoughts and will serve as a conversation stage. The relationship's nature can promote even-handedness and equity (Manthiou, Chiang, & Tang, 2013).

H3: Interaction through participating in social media positively influence brand Equity

The degree of customisation states to the extent to which a service has been personalised and adjusted to meet the needs of a certain consumer (Schmenner, 1986). Customization problems with the purposeful viewers of the brand's uploaded material on social media. According to Zhu and Chen (2015), there are two types of posts in the context of personalization: modified posts and broadcasts. When a consumer chooses a brand they believe in, they will be loyal for a lifetime (Visme.co, 2020).

H4: Customization functionalities in social media positively influence brand equity.

In general, a lot of research have found a strong link between SMM and brand loyalty (Chaudhuri & Holbrook, 2001; Chiu, Huang, & Yen, 2010; Kim, Chung, & Lee, 2011; Zhou, Zhang, Su, & Zhou, 2012). The social networking networks rely on the devotion of its users (Gu, Oh, & Wang, 2016). The link between SMM and brand equity has been studied using a variety of techniques. Despite the fact that SMM is an essential antecedent of brand loyalty, few researches in the SMM literature have focused on it. As a result, it is hypothesised,

H5: Brand trust positively influences brand equity.

### **3. METHODS :**

#### **3.1. Measurement and Survey Instruments**

To assess the components and identify questionnaire items, relevant literature was read. Six items from Aaker (1991) and Yoo, Donthu, and Lee were used to assess brand equity (2000). Three items were borrowed from Chaudhuri and Holbrook to measure brand equity (2001). The brand community was assessed using five criteria (Srinivasan, Anderson, & Ponnayolu, 2002). Six and five pieces from Kim and Ko were used to scale entertainment and customisation, respectively (2012). Finally, four items from Kim and Ko were used to evaluate the contact (2010). On a 5-point scale ranging from 5 (strongly agree) to 1 (strongly disagree), all of these responses to the scale items were requested (strongly disagree). (Verify with Table 2).

#### **3.2 Data Collection**

The target respondents were Chennai-based Social Media users. The key informant approach was used to obtain information (John, & Reve, 1982). Data was gathered from SM users since they are familiar with the research concerns and can offer educated replies.



Three filter questions were comprised at the beginning of the questionnaire to confirm that the right answers were included. The first questioned if respondents used social media more than once a week. The second question questioned if respondents follow at least one brand on social media. Last but not the least, whether they lived in Chennai. Respondents who answered yes to these three questions were given the opportunity to complete the rest of the survey. Respondents who answered no to these questions, on the other hand, were instructed to submit the questionnaire without filling it out. These were not utilised in any subsequent research.

Because of the nature of this study, which is focused on social media marketing, a Web survey was chosen as a good match. The survey was conducted online and only Chennai respondents were allowed to participate. Using the snowball-sampling approach, a link to the poll was shared via Google form and sent to their emails. The respondents' participation was entirely voluntary, and they were fully knowledgeable about the discretion of their replies. This data gathering approach is similar to that used in prior online research.

Consistency tests were performed after data collection to sanitise the data. There were 142 viable replies as a consequence of this approach. Non-response bias was tested by comparing early and late responses across survey questions. There were no significant differences between the groups in terms of factors.

#### **4. Data Analysis and Results**

This section describes the sample and goes over the normality, validity, and reliability tests in detail. The model's robustness and hypotheses' findings are also discussed.

##### **4.1. Sample Description**

Table 1: Demographic Profile

<b>Demographic variable</b>	<b>Frequency (n=142)</b>	<b>Percent</b>
Age		
18 – 24	22	15.4
25 – 30	38	26.7
31 – 39	51	35.9
40 – 49	21	14.7
50 >	10	7.0
Marital status		
Divorced	15	10.5
Married	95	66.9
Single	32	22.5
Educational level		
High School or Under	31	21.8
Bachelor's Degree	41	28.8
Master's Degree	70	49.2

The demographic profile of the responders is listed in the above table 1. There were 142 full and valid replies in the final sample (Table 1). Over one-fourth of the respondents (35.9%) were between the ages of 31 and 39, while 38 percent and 22 percent were between the ages of 25 and 30, and 18 and 24, respectively. **A tiny number of responders (5.6%) were over the age of 40.** 66.9 percent of respondents were married, 22.5 percent were single, and 10.5 percent were divorced. In terms of educational attainment, 49.2 percent of respondents were graduates, while the remainder were undergraduates and high school students.

##### **4.3. Structural Model**

Model constructs were evaluated using AMOS software to determine model fit. Hair, Anderson, Babin, and Black (2010) propose that before assessing model fitness, model-fit indices should achieve established criteria. SEM researchers accept and suggest a selection of indices such as  $\chi^2/df$  (CMIN/DF), GFI, AGFI, CFI, and RMSEA. Table 3 demonstrates that every model-fit indicator surpassed the prior research' suggested value, indicating a good match to the data.



Table 3. Fit indices for the Measurement models.

Fit Indices	Suggested Value	Recommended by Author	Measurement Model (Present Study)
$\chi^2/df$	$\leq 5$	Hayduck (1987)	2.48
Goodness of Fit Index (GFI)	$\geq 0.9$	Scott (1991)	0.98
Adjusted for degrees of freedom (AGFI)	$\geq 0.8$	Scott (1991)	0.94
Normed Fit Index (NFI)	$\geq 0.9$	Bentler and Bonett (1980)	0.93
Comparative Fit Index (CFI)	$\geq 0.9$	Bagozzi and Yi (1988)	0.96
Root Mean Square Error Estimation (RMSEA)	$\leq 0.08$	Bagozzi and Yi (1988)	0.034

#### **4.4 Results**

The results of brand community revealed that brand community significantly affected the SMM. Entertainment significantly predicted the brand equity ( $\beta = .0357, p < .001$ ). Interaction did have a significant effect on brand equity ( $\beta = .229, p < .001$ ). As for the effect of customization, this did have a positive effect on brand equity ( $\beta = .333, p < .001$ ). An examination of the cumulative of these four constructs through brand loyalty revealed a positive effect. Finally, the effect of brand equity was examined, which was found to be positive ( $\beta = .939, p < .001$ ). Most studies have reported a positive relationship between SMM and brand equity. Findings of the present study are consistent with previous findings. All of the hypotheses are supported.

#### **5. DISCUSSION AND IMPLICATIONS :**

While a growing number of research have studied marketers' use of social media for brand building (Gallaughar, & Ransbotham, 2010; Kozinets, De Valck, Wojnicki, & Wilner, 2010), few studies have succeeded in empirically evaluating the SMM elements that impact brand equity. Due to numerous conceptual and quantitative difficulties, SMM presents significant hurdles (Wellman, & Gulia, 2018; Schultz, 2011).

The current study fills a critical gap in the 21 literatures by developing and testing a model that includes SMM as precursor variables of consumer brand equity. The research adds to the current body of knowledge on brand community and social media and has numerous theoretical implications. First, a model was created to demonstrate how brand community affects brand equity. While prior research has stressed that one of the primary functions of brand communities is to build brand equity, this study takes a step further to investigate how this may occur.

Although the evaluation of the method is set in Chennai social media, it is whispered that it may be applicable in other contexts as well. This study adds to the existing literature by presenting a outline that exemplifies how marketers may utilise social media to impact customer loyalty to the brand. Second, due to the distinctive properties of social media and marketing impacts, researchers have recently advocated for treating them as separate studies (Sohail & Al-Jabri, 2017). This study responds to this demand by broadening the definition of SMM in order to get visions into brand equity.

This work adds to current SMM research, which has theoretical ramifications. The study adds to the body of knowledge by presenting a comprehensive framework that illustrates the features of SMM and their impact on brand equity. While prior research has determined the components of SMM (Kim & Ko, 2012), our research focuses on the four dimensions that must be considered holistically when designing SMM activities.

This research has a number of management ramifications. This research provides a road map for managing successful SMM activity and advises marketers on how to utilise social media to create brand loyalty more effectively. Marketers now receive information from customers on what motivates them to engage in social media activity. As a result of acquiring an in-depth understanding of SMM activities, this research offers marketers with techniques for effectively participating in social media for developing brand equity.



Due to its wide reach, economy in the cost and popularity, brand managers almost unseeingly desire to be on social media (Laroche, Habibi, Richard, & Sankaranarayanan, 2012). The study's findings will shed further light on this process. According to the study, brand communities, entertainment possibilities, interaction capabilities, and customizations elements in social media all have a favourable impact on customer brand equity. While social media provides possibilities for brand managers to increase brand equity. Brand managers should use their social media presence to capitalise on the benefits of these favourable effects.

The four SMM components, brand community, entertainment, interaction, and customisation, were effective in increasing brand equity. This study's findings showed support for all of these theories. According to the study, SMM has a substantial beneficial influence on brand equity. Concerning the influence of brand equity towards social media marketing with specific reference to Chennai City, the findings are consistent with the findings of other research that provide substantial support for this link (Chaudhuri & Holbrook, 2001; Chiu, Huang, & Yen, 2010; Kim, Chung, & Lee, 2011; Laroche, Habibi, Richard, & Sankaranarayanan, 2012).

According to the findings of this study, brand communities, entertainment, interaction, and customizable functionality all have an impact on brand equity. People have their own reasons for joining brand communities; one of the most basic psychological needs is to feel socially connected (Sarason, 1974). Marketers must utilise social media platforms to capitalise on this sense of belonging and develop customer brand loyalty (Gangadharbatla, 2008).

The entertainment value of a social networking site is also an essential consideration while utilising social media (Cheung, Chiu, & Lee, 2011; Dholakia, Bagozzi, & Pearo, 2004; Lin, & Lu, 2011; Park, Kee, & Valenzuela, 2009). Advertisements that are amusing will be seen as hip and fun, which will increase brand equity and brand loyalty. Another motivation for consumers to use social media is a need for social connection (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Members exchange important consumption experiences and information throughout these encounters (McAlexander, Schouten, & Koenig, 2002) Marketers must reciprocate in order to develop brand equity.

This research shows marketing executives how social media can be developed to increase brand equity. The study's findings also demonstrate that brand loyalty has direct relationship on SMM

## **6. LIMITATIONS AND FUTURE DIRECTIONS**

The following are the limits and future directions. First, the researcher put the model to the test by polling a random sample of social media users. While this allows me to have generalizable results, future research might incorporate additional potential moderating variables such as brand type, characteristics, and facilities of social media users, yielding greater insights into how these connections evolve in diverse contexts. Second, because social media is a vibrant and developing policy, an interesting option for upcoming study may be to trace the dynamism of social media and see what happens, how SMM's effects change with time.

Such long-term investigations will allow researchers to acquire a better understanding of the components of SMM. Third, this investigation was carried out on a sample from Chennai. Finally, socio-demographic factors such as age, gender, income, and education may have a major impact or act as a moderator effect. In the future, a conceptual model may integrate these factors in the analysis for a more complete examination of the researched phenomena.

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