

# **The Impact of Social Media Marketing on Brand Equity: An Empirical Study on Mobile Service Providers in Jordan**

— *Review of* —  
**Integrative  
Business &  
Economics**  
— *Research* —

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## **ABSTRACT**

Social media is the integration of media and social communication; it is a collection of online tools that facilitate interaction and communications between users. In light of the growing interest in the use of social media marketing among a lot of companies especially the mobile service providers and the transformation of social media to an effective to all for building the relationship with consumers many companies have utilized social media marketing as a new channel to reach their consumers. The studies showed that social media marketing that companies use as a tool for their marketing activities is centralized about six dimensions: Online Communities, Interaction, Sharing of Content, Accessibility, and credibility.

Another important research topic is brand equity. It is viewed as the basis for a new strategic framework from which to build more powerful, customer-centered marketing programs that are financially accountable and measurable; many researches agreed that brand.

Because of the importance of these two topics to the Jordanian mobile service providers this study set out to examine the relationships between the social media marketing dimensions on the brand equity, the active user of the Jordanian mobile service providers social networks were the population of the study. A sample of the study totaled 450 customers, the researcher tested the hypothesis using simple regression and stepwise regression tests: the results showed that there is a statistically significant impact of the dimensions of social media marketing on the brand equity for the Jordanian mobile service providers and after performing a stepwise regression the results showed that there are a significant impact between the Accessibility, and Credibility on the brand equity which means that the Accessibility and Credibility affects the brand equity. The researcher sees that the companies should focus more on their social media marketing strategies and increase its share in the general marketing strategy of the company.

**Key Words:** Social Media, Marketing, Mobile, Customers, Brand Equity, Value.

### ***Introduction:***

Social media refers to the means of interactions among people in which they create, share, and exchange information and ideas in virtual communities and networks. Andreas Kaplan and Michael Haenlein defined social media as "a group of Internet-based applications that built on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user-generated content. Furthermore, social media depend on mobile and web-based technologies to create highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user-generated content. It introduces substantial and pervasive changes in communication between organizations, communities, and individuals. (Kaplan & Haenlein, 2012)

There are a number of social media marketing that we can utilize in the mobile service providers' activities, in this study we will discuss the most applications used as a marketing tool (online communities, interaction, sharing of content, accessibility, and credibility) (Kim, & Ko, 2010) (Babac, 2011). Social Media marketing provides us with many opportunities to achieve our objectives. The top-tier Social Media and Social Networking sites provide staggering numbers—hundreds of millions of active users, hundreds of millions of conversations going on at these sites on every topic imaginable, seventy-two hours of video being uploaded every minute, a million blog posts every day, millions of Tweets daily, the opportunities are endless (Sweeney, & Craig, 2011).

Social media marketing is a phenomenon that has drawn a lot of attention to both companies and individuals interacting with the networking landscape. However, when it comes to giving a clear definition of what social media really is, the understanding of the term is minimal. Managers and academic researchers seem to differ on how social media differ from interchangeable related concept web 2.0 and User Generated Content (Kaplan, & Haenlein, 2010).

Brand equity defined by Leone that it is subjective for customers and intangible assessment of the brand, above and beyond its objectively perceived value. Three key drivers of brand equity are customer brand awareness, customer brand attitudes, and customer perception of brand ethics. Brand equity is built through image and meaning. (Leone et al, 2006).

### ***Theoretical Framework:***

#### ***Social Media Marketing:***

Social media marketing is the marketing strategies that smart businesses are employing in order to be a part of a network of people online. (Williams, 2009), Business-to-

consumer (B2C) marketers were quick to realize the value of Facebook as a branding opportunity. Entertainment companies, such as movie studios, book publishers, and music labels, were among the initial advertisers on Facebook and that continue to have a major presence.

The challenge is giving people a reason to participate. Whether it is sharing hilarious pictures of Peeps in compromising situations or debating the benefits of salt and bacon as an essential part of a diet, consumer-facing businesses are interacting with their customers in entirely new ways via Facebook. (Singh, 2010), Social media marketing consist of the following dimensions:

**Online Communities:** A company or business can use the social media to build a community around its products/business. Vibrant communities create loyalty and encourage discussions, which can contribute towards business development and improvement. (Taprial, & Kanwar, 2012).

**Interaction:** A Facebook page or Twitter account can notify all its followers of specific subject quickly and simultaneously (Berselli, Burger, & Close, 2012). Social networking sites enable greater interaction with the online community through broadcasting up-to-date, consumer relevant information.. (Fischer, & Reuber, 2011)

**Sharing of Content:** The sharing dimension is about the extent to which an individual ex-changes, distributes and receives content in a social media setting. (Babac, 2011)

**Accessibility:** The social media is easily accessible and takes minimal or no costs to use. Social media is easy to use and does not require any special skills, knowledge to use. (Taprial, & Kanwar, 2012)

**Credibility:** It is all about delivering your message clearly to the people, establishing credibility for what you say or do, connecting emotionally with your target audience, motivating the buyer and generating loyal customers. The social media provides a very good platform for all businesses (big or small) to network and reach out to their target audience, connect with them directly and generate trust by listening to what they have to say. (Taprial, & Kanwar, 2012).

### **Brand Equity:**

Customers' subjective and intangible assessment of the brand, above and beyond its objectively perceived value. Three key drivers of brand equity are customer brand awareness, customer brand attitudes, and customer perception of brand ethics (Leone et al, 2006).

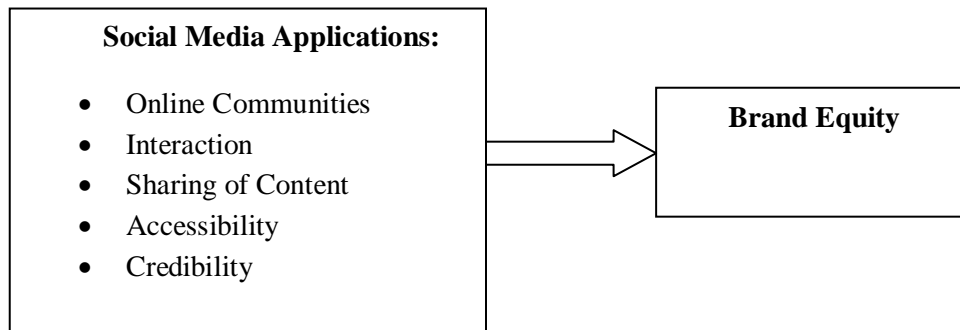
Where value equity is driven by perceptions of objective aspects of a firm's offerings, brand equity is built through image and meaning. The brand serves three vital roles. First, it acts as a magnet to attract new customers to the firm. Second, it can serve as a reminder to customers

about the firm's products and services. Finally, it can become the customer's emotional tie to the firm. Brand equity has often been defined very broadly to include an extensive set of attributes that influence consumer choice. (Rust, Lemon, and Zeithaml, 2001).

### ***Literature Review:***

Many studies focus on the relationship between social media marketing and brand equity, where Babac study examines the impact of social media use on the brand equity of magazine brands. Building on an integrative model, which brings together classical theories of brand management and the frontiers of research in social media, this study examines one of the first magazines to incorporate social media in its marketing strategy (Babac, 2011). Also Erdogums & Cicek in their study aimed to identify the effect of social media marketing on brand loyalty of the consumers, given that the concept is receiving increasing attention from marketing academia and practitioners. The scope of the study consists of customers who follow at least one brand on the social media in Turkey. (Erdogums, & Cicek, 2012). Where Odhiambo in his study uses a scientific research methodology of case study research, this study was designed to explore whether social media is more effective than the traditional media on a brand management perspective and find the implementation challenges that make it a two-face phenomenon. (Odhiambo, 2012)

In addition Bushelow study This study aimed to examine whether liking and interacting with a Facebook fan page has an effect on brand loyalty and purchase intentions, and Facebook fan pages create an online brand community. An analysis of 104 online survey responses indicates that interaction with fan pages is not a strong indicator of consumer brand loyalty or purchase intentions, suggesting that brand communities are not formed on the basis of liking a page (Bushelow, 2012). Kang in his study investigate the benefit factors of member participation and the relationships between community participation, brand trust, and brand commitment in hotel and restaurant online communities (Kang, 2011). The Perdue study presents the principles of social media marketing by explaining the social media phenomenon, detailing how to create and capture value with social media, and discussing the process of formulating a social media marketing strategy. (Perdue, 2010) Other study by Naveed aims to study the Impact of social media on consumer buying behavior and brand commitment. The overall relationship of the Impact of social media on consumer buying behavior and brand commitment has been empirically analyzed and resulted. The Impact of social media on consumer buying behavior and brand commitment has been studied. (Naveed, 2012).

**Study Model:****Figure (1) Research Model**

**Source:** (Angella, & Eunju, 2012) (Kim,&Ko, 2010) (Babac, 2011)

**Hypothesis:**

**H.o.1:** There is no significant impact of social media marketing on brand equity of the customers of Jordanian mobile service providers.

**Methodology:**

**Population of the study:** The population of the study is represented by the customers of mobile service providers working in the Jordanian market (Zain, Umniah, and Orange). The study deals with a sample of customers of these companies who has activities in these companies' social media channels, like companies Facebook page and twitter accounts and YouTube channels, and their number are more than 300,000 Customers.

**Sample of the Study:** A simple random sample will be the sampling Technique of this study. The researcher posted an electronic questionnaire in the company's social networks to get the sample responses. The responses number was (360) responses (320) questionnaire were accepted.

**Unit of the Sample:** The sample consisted of all the customer of the Jordanian mobile service providers who has activities in these companies' social media channels, like companies Facebook page and twitter accounts and YouTube channels. This sample is distributed on the three companies (Zain, Umniah, and Orange) social media channels and the responses were summarized in the table below:

**Study Instruments:** The electronic questionnaire was developed to collect data from the sample of the study after reviewing some of the previous literature addressing each of the variables examined in the study (Appendix 1), it contains three domains of questions, the first group is about demographic questions (marital status, gender, age, and education) about the study population, the second is about social media applications as a tool of marketing which includes six sub domains and was covered by (32) questions: online communities (7) questions, sharing of content (5) questions, acquisition (5) questions,

accessibility (5) questions, credibility (5) questions,(Laroche, 2012; Babac, 2011; Kim, Ko, 2010; Kang, 2011; Bushelow , 2012; Nekatibebe, 2012; Malmivaara, 2011; Malciute, 2012) the third group is about customer equity which includes three sub domains and was covered by 16 questions: value equity (5) questions, brand equity (5) questions, relationship equity (6) questions, (Rust, lemon, and Zeithaml, 2005; Brito, Espartel, 2012; Wright, 2008).

**Study Validity:** Validity for the questionnaire was obtained from five members of the marketing department from Applied Science Private University and some of the questions were modified or deleted. Appendix (2)

**Study Reliability:** Study Reliability were calculated by using test pre-test, in which the researcher applies the study tool on a sample of (50) customers of the same sample, after a month the same sample was tested again, the consistency percentage was (92%); and to make sure of the results the researcher computed Cronbach's alpha for all the domains and the whole tool, the value was (0.949) as shown in the following table:

**Data Collection Method: Primary Data:** A questionnaire consisted of two domains was developed for the purpose of primary data collecting from the sample subjects to help in preparing the practical framework for the study. **Secondary Data:** Reviewing previous literature, books, periodicals, white papers, and websites were used to collect the secondary data in order to help preparing the theoretical framework.

**Measurements Tools:** Likert five scales was applied in asking the questionnaire questions and measuring the study variables which is organized as strongly disagree to strongly agree and which takes the weight of (1-5), the measurement approach is matches with the study population and is tested in precedent studies.

**Statistical Analysis:** For the purpose of the study descriptive statistics were computed using SPSS software statistical package in analyzing the data obtained from the sample and the below analysis were computed:

**A) The tools for describing the study variables:**

- *Frequency:* Used to review the study sample answers.
- *Percentages:* Show the proportion of answers for a particular variant of the total answers.
- *Mean:* Displays the average answers to a particular variable .
- *Standard Deviation:* Shows the degree of dispersion of the answer from its mean.

**B) The tools of Hypothesis testing:**

- *Simple Regression:* used to find the influential relationship between two variables of the study variables.
- *Stepwise Regression:* Is used to determine the best regression model for the effect of the independent variables in the dependent variable .

- *F Test*: used to verify the significance of the relationship between the variables of the study.
- *T Test*: Used to find significant differences between the means of the variables of the study.

**Study Results:**

*Demographic & Study sample Characteristics:*

**Table (1)**  
**Characteristics for the study sample**

<b>Gender:</b>		<b>Marital Status:</b>	
Male	55.1%	Single	50.7%
Female	44.9%	Married	36.7%
		Divorced	11.1%
		Widowed	1.4%
<b>Age:</b>		<b>Education:</b>	
18 - 26	years 11.8%	High School and Less	13.3%
27 - 35	years 39.4%	Diploma	43.0%
36 - 44	years 27.5%	Bachelor	38.9%
45 - 54	years 15.5%	Graduate	studies 4.8%
More than 54	years 5.8%		
<b><i>No. of respondents: (320)</i></b>			

**Description of Study Variables:**

Descriptive statistics, the researcher computed the means and standard deviations for all the study domains as shown in the following table:

**Table (2)****Means and Standard Deviations for the Study Main Domains**

<b>Item</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree of Agreement</b>
Social Media marketing	4.0336	0.44145	High
Brand Equity	4.0650	0.49223	High
<b>High: 3.67 – 5.00</b>		<b>Moderate: 2.33 – 3.66</b>	
<b>Low: 1.00 – 2.32</b>			

Table (2) showed that the means for the study main domains were from (4.03) to (4.06). The customer equity got the highest mean with (4.06) and SD (0.49223), and social media applications were (4.03) and SD (0.44145).

**Testing the Study Hypothesis:**

The researcher will test the study hypothesis and answer their questions in light of the previously mentioned ones.

Testing the first main hypothesis:

**Ho.1: *There is no significant impact of social media marketing on brand equity of the customers of Jordanian mobile service providers.***

To test this hypotheses the researcher performs stepwise regression, the results show that the coefficient of determination ( $R^2$ ); which represents the percentage of the explained differences in the brand equity for the mobile service providers due to the social media applications dimensions is not less than ( $R^2 = 0.632$ ) which is an acceptable result indicating that (%63) from the total differences in the brand equity are determined by the dimensions of the social media marketing, the remaining percentage which equals (%37) represents the percentage of the excluded variables which were excluded from the study model.

In addition, the strength of the relation between the dimensions of social media marketing and brand equity is ( $R = 0.795$ ), the value of the computed ( $F = 175.963$ ) at freedom degrees of (4-413) and significance level (0,000) and that indicates that the



regression curve is good in explaining the relation between the social media marketing and brand equity.

**Table (3)**

**The Impact of Social Media Marketing on Brand Equity**

<b>Independent variable</b>	<b><math>\beta</math></b>	<b>T</b>	<b>Sig</b>
Online Communities	0.022	0.507	0.612
Interaction	0.264	6.803	0.000*
Sharing of Content	0.045	1.002	0.317
• credibility	0.185	4.190	0.000*
Accessibility	0.554	12.464	0.000*

*(R = 0.795; R<sup>2</sup> = 0.632; F = 175.963); \* significant level at P ≤ 0.05*

After reviewing the table (3) results between the dimensions of the social media applications and brand equity; it's important to figure out whether the dimensions of social media applications affect in brand equity for the mobile service providers; so the percentage importance of the social media marketing dimensions in the regression curve model indicates and with following the partial regression coefficient (Beta) for each dimension, table (3) shows that, that the most important affecting dimensions are: the accessibility and the interaction ( $\beta = 0.554$ ;  $\beta = 0.264$ ) in sequence, where there were not any effect for the online communities and sharing of content on the brand equity.

**Results Discussion:**

This Part includes the discussion of the results, and recommendations, depending on the study results.

From the researcher point of view and based on the study results that shows a strong relationship between social media marketing and brand equity, the social media marketing are a very important tool for the companies to focus on especially the mobile service providers, the support for the results is the information that the researcher use in many partt in this research like the presence of 2 of the mobile service providers companies in the top 10 brands in facebook, and twitter in Jordan, these results gives us a picture of how is important these applications to such companies.

From the study results, it showed that the means for the study main domains were ranked high. The brand equity got the highest rank then the social media applications.

These positive results from the researcher point of view could be due to the increases in the user's number of social media marketing and the increases awareness of their uses, so the mobile service providers is taking care of these social media marketing and taking their customers on these social media platforms seriously, which will lead the company to a better brand equity.

Also the study results show that the sub domains were all ranked high, in which the brand equity got the highest rank, then at the second rank, the domain credibility, at the third rank the domain interaction. In addition the results showed that the domain accessibility got the lowest rank, but still high in the ranking degree scale.

From the researcher point of view that the mobile service providers customers who have activities on the companies social networks have a good standing brand equity for the brands they are dealing with in the companies social networks, and this could be due to that the mobile service providers social media practices are getting more attention and the customers who are on these social networks are getting more care.

Also the study shows that the domain credibility items came with high degree with mean (4.0797), and online communities question "Replies by other customers on the company's social media provide me with useful information" got the highest mean with (4.26), also the item "I always provide information to help customers on the social network" got a high rank with a mean (4.24).

From the researcher point of view the customers are getting information from each other and rely on each other when they are searching for information about services because of that the items of the online communities and sharing of content gets the highest mean.

Also the study show that the domain brand equity domain items came with highest degree with mean (4.1130), in which "The company sponsors social events and tell about them on their social networks" got the highest mean with (4.27), also the item "I have a positive image of the company in my mind because of its presence on the social networks" got a high rank with a mean (4.26).

From the researcher point of view the brand equity items are very important in the social media and also important for the company to achieve a high return on marketing investment in their social networks.

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