Are social media replacing traditional media in terms of brand equity creation in Thailand?

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Abstract - In Thailand, companies’ media expenditure is transferred to social media gradually since consumers are habitually online nowadays (Friedrich et al., 2010). Therefore, this research aims to identify the relationship of brand communications towards brand equity. The communications are divided to traditional media and social media. Moreover, for a deeper understanding, social media is separated into firm-created and user-generated social media communication. Additional factors studied are brand awareness, functional brand image, hedonic brand image, brand attitude and purchase intention. An online questionnaire was designed to 200 respondents who are Thai, had experienced of online advertisement. The data was collected by using convenient sampling method. Correlation analysis and reliability test were used to test the research hypotheses and examine reliability and validity of measurement constructs. The results indicated that traditional media has the least positive relationship on every dimensions of brand equity compared to social media communication. User-generated social media communication overcomes firm-created social media communication on brand awareness and functional brand image but has nearly equal relationship on hedonic brand image. The findings suggest that the combination of traditional media and social media usage is necessary for companies to build their brand equity.

Keywords – Brand equity, Marketing communication, Social media, Traditional media

I. INTRODUCTION

The media advertising environment in Thailand has continued to change from traditional media such as TV, radio, magazines and newspapers to digital advertising. Most of the companies have a tendency to spend their media communication budget on online media more and more. The digital advertising spending in the market has been growing rapidly by 44% from 2014 (DAAT 2015). The rapid evolution of technology has changed the way consumers perceive brands’ messages and how they are able to communicate. Since consumers tend to become fans of brands on social media platforms and use social media as their prior source of information. It is crucial for marketers to consider how they actually plan their media budget (Kaplan and Koval., 2003) to effectively communicate at the right ways and at the right channels.

Social media or social network is the fastest-growing areas of the online world (Trusov et al., 2009). Social network sites are being used by companies to promote and communicate information about their brands (Kaplan and Haenlein, 2012). However, the development has weakened the brand management control (Berthon et al., 2007). In addition, on social network users can easily create positive or negative impact to brand equity and companies. It is important to separate between firm-create and user-generated social media communication and identify the impact of these forms of social media. Thus, effective marketing communication can help build a strong brand (Keller, 2009). Consequently, with strong brand equity, consumers may be more willing to speak for a brand and be able to recall and give cognitive or affective reactions of the brand. Eventually, successful marketing communications activities can add value to brand equity and can increase sales at last (Keller, 2007).

The scope of this study is to investigate the impact of social media communication compare to traditional media on brand equity through eight independent variables, consisting of traditional media, firm-created social media communication, user-created social media communication, brand awareness, functional brand image, hedonic brand image, brand attitude and purchase intention. Therefore to discover the answer of this research, we formulated 2 research objectives:

- To compare influences toward brand equity between brand-based social media communication and traditional media communication.
- To identify the different effects toward brand equity of brand-based social media and user-generated social media communication.

This research paper is organized as follows. The first section illustrates literature review, a description of conceptual framework and the hypotheses of this study. The second section presents our data sources and the empirical model as well as the estimation. The last section provides a summary and discussion of our results, moreover we give recommendations for further research.