The Impact of Social Media Brand Communication and Word-of-Mouth Over Brand Image and Brand Equity

Alice Cynthia Dewi¹, Tantri Yanuar R. Syah², Rokiah Kusumapradja³
¹Department of Health Sciences, Esa Unggul University, Jakarta
²Department of Economic, Esa Unggul University, Jakarta

The importance of brand equity has been realised in recent times and the vast growth of social media users has reached many companies to use of such spaces to reach out to their customers and boost their brand communications. A social media has evolved as one of marketing tool to engage with customers however the studies regarding benefit for health care facility brand are not much reported. The present study focuses on how social media communication as well as word of mouth affect people perception towards brand hence brand image and brand equity. We investigated 200 social media users by using a standardized survey at one of health care facilities. Here, the samples were collected using non-probability sampling method with a purposive sampling technique. The data analysis used the structural equation modelling technique to investigate the interplay of firm-created, user-generated social media communication and word of mouth. The empirical result indicated both social media communication and word of mouth have a significant impact on brand equity, while firm-created content and word of mouth have a positive effect on brand image. Furthermore, brand image was shown to have a positive influence on brand equity. The study provides useful implications for marketing practitioner to actively participate in utilisation of social media for marketing communication.

Keywords: Brand Equity, Brand Image, Social Media, Word of Mouth, Firm-Created Content, User-Generated Content

1. INTRODUCTION

Today’s increasingly competitive world has forced every company to build a strong brand in order to win markets. Due to wide variety of products offered on the market, consumers are guided not only by the quality or the benefit those products delivered but also by the reputation of the company, and as a consequence, creating a strong brand should be a fundamental process in every company. Building a brand has always been an important aspect of business and this fact has never changed, on the other hand, its importance is getting crucial. Acquiring strong brand equity allows achievement in a positive brand-oriented behavior and a variety of competitive advantages, such as repeat purchase, willingness to pay for premium price, and increased opportunity to collab with business partners [1, 2, 3]. In order to build and strengthen brand equity, it is vital to adapt on various marketing tools such as using social media. Company can promote their brand existence and create good brand equity over social media [1]. Social media platforms offer an opportunity for consumers to interact with others, share ideas anywhere, anytime. It means social media could serve as an effective branding channel. Social media has changed the traditional one-way communication to multidimensional communication, as a result changing the communication between brands and customers. Many researches have investigated this platform has made it possible for the brand images created not only by company but also by consumers. They can contribute directly and become co-creators of the values that strengthen the brand through so-called user-generated content [4, 5, 6]. Marketers can anticipate that brand communication will cease to be generated simply by the company, but gradually being formed by the consumers themselves. As a result, companies are no longer the sole source of brand communication [7]. It is known that both company and user play an important role in social media content. Therefore, it is crucial to differentiate between firm-created content (FCC) and user-generated content (UGC) and examine the impact of these two forms of social media communication on brand.
equity separately. This is of great importance, as firm-created content is controlled by the company, whereas user-generated content is independent of the company’s control. As competition gets more intense, many companies employ for various marketing strategies to engage people with their brands. Another key role that company could take into consideration is word of mouth. It is considered as a powerful marketing tool among various companies, particularly for those whose businesses focus on intangible offerings as consumers depend mostly on the given recommendations by friends who had previous experience in using that service [8]. There are number of studies reporting that word of mouth is the most effective way to create consumer behavior toward brand at a lesser cost since it is considered to be more reliable than any other traditional media [9, 10, 11, 12]. This type of marketing communication is generally acknowledged as having a great persuasiveness, when satisfied consumers talk about their experiences, specific information that is most strongly linked to that product comes to others mind and consumers usually tend to have more trust in friends or relatives than the brand itself [13]. In other words, word of mouth is influential sources of information transferred by consumers and encompasses well-documented advantages. Despite the increase in empirical research into the topic of social media communication, word of mouth and brand, there is still little understanding of how firm-created content, user-generated content and word of mouth influence consumer perceptions of brands in regard to healthcare facility [6, 7, 9, 12, 13]. Previous studies were carried out in different countries and different industries, such as clothing or mobile network providers. Besides those studies did not conduct the impact of FGC, UGC and word of mouth on brand image. Moreover, some authors investigated the effects of firm-created content or user-generated content on brand equity separately [1, 14]. Few of these works takes into account of these two items simultaneously [6, 7]. Therefore, to address these gaps in the research outlined above, the present study aims to investigate the effects of firm-created content, user-generated content and word of mouth on brand, in terms of brand image and brand equity at healthcare facility.

2. METHODOLOGY
The study was conducted in Klinik Kehamilan Sehat Deluxe Cipondoh from 31 July 2020 to 10 August 2020.

A. Sampling and Data Collection
A quantitative approach has been carried out through a survey method. Data collection was done using a standard questionnaire, employing purposive sampling technique. The inclusion criteria for respondent were: (a) respondent is a Klinik Kehamilan Sehat Deluxe Cipondoh consumer; (b) Respondent owns a social media account and actively engage in the firm-created content and user-generated content. The screening questions were used to ensure that the respondents had actually perceived both contents and were eligible to participate in the study. The screening questions were:

1. ‘How often do you receive newsfeeds from Klinik Kehamilan Sehat Deluxe Cipondoh?’
2. ‘Do you read the newsfeed from Klinik Kehamilan Sehat Deluxe Cipondoh?’
3. ‘Do you look at what other people post about Klinik Kehamilan Sehat Deluxe Cipondoh?’

The respondents who did not survive the screening process were not eligible to take the survey. A total of 250 questionnaires were collected. For the analysis, we considered only fully completed surveys, thus no data were imputed. It has been reported that a sample size of 200 is adequate to generate acceptable statistical power for data analysis [15]. Thus, after excluding the incomplete questionnaires, a total of 200 entries were considered sufficient and further analysed. Software packages SPSS 24.0 and LISREL 8.8 were adopted to establish the causal relationships among different variables.

B. Measurement Scales
The items of each variable used in this study were based on the existing instruments from prior research studies and measured using a four-point Likert scale ranging from 1 for ‘strongly disagree’ to 4 for ‘strongly agree’. Brand equity was measured using the four-item overall brand equity scale [16]. Brand image was measured using three items reflecting the personal experience, practicability and brand symbolic [17]. As for word of mouth, the construct was operationalized using five items, in terms of the influence of family or friend on consumer’ attitude, ideas, understanding, decision making, and evaluation on the healthcare brand [18]. Lastly, firm-created and user-generated social media communication were measured using four item-scale [6, 7]. The firm-created contents were operationalized in terms of users’ expectations and satisfaction regarding the contents generated by a firm as well as the performance and attractiveness of social media, while the user-generated contents were addressed in term of users’ expectations and satisfaction regarding the contents expressed by other users, as well as, the performance and attractiveness of those social media.

C. Validity Test
To confirm the validity of items, a pre-test was conducted priorly to 30 respondents and calculated using SPSS 24.0 program. Result indicated that Kaiser-Meyer-Olkin value for all items of FCC, UGC, brand image and brand equity is above 0.63, ranging from 0.636 to 0.750. Meanwhile, two items that were used to measure word of mouth were omitted from the study because of a low communalities value (lower than 0.5), thus, yielded total of 18 items for...
further analysis. Furthermore, the reliability of items has been assessed using Cronbach’s $\alpha$. All items show a high Cronbach’s $\alpha$ value, ranging from 0.711 to 0.870, which is above the threshold level of 0.6, confirming excellent internal consistency of the measures (see Figure 1).

A. Measurement Model

In this study, confirmatory factor analysis (CFA) was used to verify the convergent validity of the constructs. In using CFA, we assessed the composite reliability (CR) and the average variance extracted (AVE) of all the constructs. As observed, the CR values ranged from 0.70 to 0.90, which exceed the minimum standard of 0.60 and AVE values for all constructs were higher than the acceptable value of 0.50 ranging from 0.50 to 0.70 [19, 20]. In addition, all factor loadings for the items were greater than 0.50 (ranging from 0.59 to 0.90), which is recommended as the threshold value in the literature [15]. These results indicate that all constructs in the study achieved an acceptable level of convergent validity, implying that the research construct are adequately fit for assessment of the structural model.

B. Structural Model and Hypothesis Testing

To verify the hypotheses which were proposed in the above section, structural model was formulated using LISREL. The model requires that a set of criterion fit indices should be fulfilled based on the recommended values. Based on the output, the structural model demonstrated an adequate fit value of normed chi-square ($\chi^2$/df) = 1.4, goodness of fit (GFI) = 0.92, root mean square error of approximation (RMSEA) = 0.042, Tucker–Lewis index (TLI) = 0.99, comparative fit index (CFI) = 0.99 and parsimony normed fit index (PNFI) = 0.77. Except for the $\chi^2$ statistics = 163.73, $p < 0.005$, all goodness of fit indices was greater than the general standard. Since $\chi^2$ statistics are sensitive to sample size, it is essential to consider these along with other goodness of fit results [21]. Therefore, measured variables’ goodness of fit of the model appeared to be acceptable. Overall, the presented hypotheses were tested based on the t-value which was generated based on the final structural model’s output. Table II summarizes the t value for all hypothesized paths in the model.

For firm-created content (t value = 3.57) and word of mouth (t value = 2.97) had a positive significant influence on brand image. Hence, H$_1$ and H$_3$ were supported. However, user-generated content showed no positive influence on brand image (t value = 1.82), which rejecting H$_2$.
Brand image was found to have a positive effect on brand equity (t value = 4.04), H4 was thus supported. Moreover, the results revealed that firm-created content (t value = 1.96), user-generated content (t value = 2.34) and word of mouth (t value = 2.43) have a positive significant influence on brand equity, therefore H5, H6, H7 were also supported by the data. Finally, to test the last hypotheses, aim to examine the simultaneous impact of FCC, UGC and word of mouth on brand equity, regression analysis has been done with SPSS 24.0, statistical package. In this case, model was found to be significant with F value of 71.74 and p < 0.000, leading to the confirmation of H8. Thus, the regression model has been calculated in this study (see Table III) while Figure 2 shows Structural Equation Model, respectively.

Table III. Regression Model

<table>
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<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
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<td>Regression</td>
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<td>3</td>
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<td>71.736</td>
<td>.000</td>
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<tr>
<td>Residual</td>
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<td>.107</td>
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<tr>
<td>Total</td>
<td>44,105</td>
<td>199</td>
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</table>

a. Dependent Variable: Brand Equity
b. Predictors: (Constant), Word-of-mouth, Firm-created content, User-generated content

Recently, there is popular trends in the area of marketing using social media. Social media have introduced new channels of brand communication among consumers. The central aim of our research is to generate new knowledge about how firm-created content, user-generated content and word of mouth affect brand in term of brand image and brand equity in service industry. Several findings of this study are worth noting and have huge implications for marketers. First, our study found firm-created content had impact on brand image and brand equity, thus H1 and Hs were supported. Given the fact that firm-created content is fully managed by companies, it is then expected the contents they produced to be able to provide information, influence their consumers perception about a product, encourage consumers involvement as well as gain insight about their consumers attitude [6]. Unlike traditional communication channels, firm-created content has been acknowledged as a mass phenomenon with wide demographic appeal and is more reliable [4, 22, 23]. Social media makes company noticeable, even to those who previously were not aware of company’s existence. Furthermore, social media enables company to reach remote consumers or target a specific segment thus helps branding easier [4, 24]. Therefore, every marketing manager should be aware that brand communication will advance via social media [4]. This finding research found that firm-created content had impact on brand image. The result also concluded significant relation between firm-created content and brand equity. Brand equity gives values to consumers by heightening their interpretation and information processing, enhance trust in decision making and satisfaction. As for the company, brand equity could increase the efficiency and effectiveness of a marketing program, better price and higher profit, brand expansion as well as competitive advantages [25]. Therefore, firm-created content is expected to facilitate the creation of brand equity based on consumers’ perceptions [26]. Based on findings in this study, it could be confirmed that creating brand equity and changing consumers’ response are the main reasons of developing firm-created content. Consumers are expected to follow the brand in social media and receive latest information so that their brand awareness could be better and boost brand equity. Good management of firm-created content would positively impact the brand equity as long as the message leads to customers’ satisfaction toward the product [7]. In other words, company’s involvement in social media could help promote product sale, brand awareness, brand image, brand loyalty as well as reduce marketing cost [27, 28]. Second, regarding findings of user-generated content. Taking into account on the importance of brand equity and rapid growth of social media users drive companies to employ different strategies to interact with their consumers. Companies now involve users on social media to help enhance their brand visibility through so called, user-generated content [29]. User-generated content enables consumers to be engaged with brand not only by directly reviewing the content, but also by forwarding company’s message to other users which further helps in creating awareness and perception toward brand [4, 7, 30]. According to eMarketer in 2016, 80.7% internet users in America considered product reviews to be more reliable in making purchase decision. Due to high credibility and trustworthiness in product reviews, companies realize the importance of user-generated content as a marketing strategy [31, 32, 33]. An effective user-generated content can generate positive responses to one brand and this study is relevant in that user-generated content was found to positively affect brand equity, hence H8 was supported. However, our results showed that user-generated content did not affect the consumers’ perceptions of brand image, thus rejecting H9.

Figure 2. Structural Equation Model
This study stated that user-generated content had positive impact on brand equity. Meanwhile, this result reported user-generated content did not affect brand image. Even though we do not confirm the postulated hypothesis, a possible explanation for such finding to be true could be that this healthcare facility had opened their service for about two years so many of these customers still relied on more credible source of information such as the facility itself, accordingly information documented by other users did not affect the company brand image. It is necessary to underline the fact that social media platform becomes an important vessel for consumers’ socialization by providing virtual space for people to communicate and discuss about a brand. Since consumers are interested in using social media and involved in user-generated contents on this platform, company should aware of their role in marketing activity. Brand who are able to engage consumers would have competitive advantages [31]. Furthermore, our findings are of great practical importance for marketers. Since user-generated content basically are not guided by company, thus, this content is acknowledged to provide information about customers’ behavior on social media platforms as well as facilitating company to analyze their target market. The advantage of using social media is enabling company to immediately resolve problems and gain customers’ feedbacks. Another important contribution of this article is the finding concerning the effects of word of mouth on brand image and brand equity with regard to healthcare facility. Given the statistical result above, it was shown that word of mouth positively affects both brand image and brand equity, thus confirming H3 and H4. Company would always choose interactive yet the cost-effective marketing strategies to achieve their communication goals and improve company’s assets, both in product sales as well as brand value. Word of mouth could be applied to this. Word of mouth is a way of communication within the population related to product or service experience [23]. This communication could happen between friends, families, colleagues or even neighbors and principally not endorsed by company thus considered more reliable. Word of mouth could be a way to promote a product or service that has been experienced by a person and it could impact positively or negatively to the other person receiving the information.

This research established that word of mouth had significant effect on brand image. Despite the difference between traditional method of word of mouth used in this research with electronic word of mouth (e-WOM) applied in other studies, e-WOM was known as the antecedents for a brand image and purchase intention [10, 34, 35, 36]. Moreover, this research also emphasized the significant influence of word of mouth on brand equity. According to our results, it could be concluded that word of mouth could be an important factor affecting brand image because word of mouth could be swiftly accepted as main reference especially in services industries where consumers have not yet experienced the service themselves [37]. Consumers would do word of mouth after using a product or service, either conscious or unconsciously, thus indirectly helping the company to promote their brand. Word of mouth could embed brand message in consumers’ mind and drive a better overall impression of a brand [9, 38]. The image and equity of brand created will depend on consumers’ perception while receiving information via word of mouth. Negative word of mouth emerging from consumers would affect brand building, so it strongly recommended that managers use various methods to influence and shape undesired consumer discussions in a manner that is consistent with the company’s mission. On the other hand, to create positive word of mouth, companies are suggested to provide products or services with added values that differ from those of competitors to their consumers.

Fourth, this study also provides evidence that brand image could enhance brand equity, hence supporting H4. Brand image stimulates consumers overall understanding about that brand. For consumers, brand image portrays product credibility or reputation and could be used as guidance for product usage. Undeniably, brand image becomes a basic need for company as it significantly elevates the brand equity. This research stated that brand image had positive and significant correlation with brand equity. Products with good brand image could help consumers understand more about products qualitatively thus influence the brand equity. Strong brand image could build product characters and give extra points for consumers leading to stronger emotional connection, rather than rational, thus prompting positive mindset when thinking about that brand. Moreover, strong brand image would prompting company in having privilege such as competing on high price and product specifications.

Considering the above, it is emphasized that improving brand image exert a major benefit for increasing brand equity of services sector where it difficult to assess the value of service before purchasing them. Consumers rely heavily on their perception toward a brand image. Good brand image thus would create positive sentiments for consumers which would in turn influence the brand equity. Lastly, we investigated simultaneous impact of both social media communication and word of mouth on brand equity. As predicted by the present study, brand equity was simultaneously affected by both of social media communication and word of mouth, further confirming H8. This positive finding may result as the fact that firm-created content is perceived as creative and visually appealing advertising such as pictures and videos produced by company, and while consumers engaging with this kind of content, they may heavily investing on psychological gratifications for valuable user-generated communication such as liking, commenting or reposting which subsequently generate word of mouth in the same time, as a final result the value of brand might be affected. Based upon this finding, practitioners belonging to this sector should take an
approach where the creation of positive brand-related content be the main focus so this could further stimulate consumer participation through user-generated content and subsequently word of mouth. Creating brand equity has been considered as an important element while building a brand. Meanwhile, in marketing area the social media could effectively improve equity value by catering consumers in ways that could not be achieved in traditional marketing strategies. Consumers identify social media as a reliable information source compared to traditional marketing communication, especially information conveyed by other users [39]. Consumers nowadays make a choice based on their searching through either firm-created content or user-generated content. Therefore, active participation from both company and users could affect the creation of brand equity.

This empirical study found that when a brand conveyed correctly through social media, brand image would be generated. More than 50% customers intention to visit social media was to gain information, 60% of them stated that they will use online social media to forward information to others, two-third admitted that recommendations from other users are valuable and 45% of those who seek information were involved in word of mouth [40]. These displayed the biggest advantage for companies using social media is that customers who visit social media are more likely to take action. Companies who integrate social media element in their marketing strategies would gain bigger opportunities to expand their brands [28]. In summary, social media platforms provide unlimited ways for consumers to interact, express, share and create content about brands and products. Thus, the joint implementation of firm-created and user-generated content as well as word of mouth offer numerous opportunities for increasing brand equity.

4. CONCLUSIONS

Based on these findings, it could be concluded that word-of-mouth and two types of social media communication have impacts on brand equity, while only firm-created content and word of mouth show positive influence on brand image. It is the firms which can increase the brand image among customers. It is therefore recommended that brand managers should post their content on different social media platforms in such a way that it can provide credible and trustworthy information related to the product’s utility. However, it is evident that firms and users are both important stakeholders of social media communication that contribute to brand equity, thus, company should monitor user-generated content on various social media platforms as it influences brand equity. Brand managers need to intervene in the discussion if it is going the wrong way. Firms can also identify some brand advocates who can share the brand’s favorable experiences to boost positive word-of-mouth. This is necessary because positive word of mouth can build favorable brand equity amongst consumers. It is highly imperative that the companies should have a social media team to handle these aspects. Thus, there are some limitations in this study that could be addressed by future research. The main focus of this study is limited to social media communication with contents created by company, users and word-of-mouth. Future researchers are encouraged to investigate other communication tools that can affect brand equity such as traditional methods (TV, radio, magazine), influencer role or even mix marketing elements such as price, products or distribution channel, to gain a broader understanding of how consumers perceive brands from different marketing tool.

Additionally, this study uses cross-sectional data so the results possibly are limited to a period of time. Therefore, researchers are recommended that such research be conducted using longitudinal data to produce stronger validation and generalization of the findings. Finally, the area covered by this research is limited to healthcare clinic, it is probable that the results could not be generalized to the other bigger healthcare facility such as hospital, because the factors affecting consumer perception to brand may vary in other facilities. Hence, future researches may extend the scope by covering other community in order to obtain more accurate results. In this study is contributes to broaden marketing literature in the field of social media communication related to brand management especially for health care service which rarely gets attention. Practically, this study also helps marketing managers to realize the importance to invest in company’s social media and involving consumers on social media. By this, marketing managers could gain insights and ideas from participating consumers while maintain a lower budget compared to using traditional platforms. Additionally, marketers could measure the return from efforts, time and financial means spent on marketing through company’s social media.

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