

## **CHAPTER II LITERATURE REVIEW**

### **2.1 Introduction**

In this chapter, the author describes the theoretical background of all variables related to social media marketing and its constructs, consumer-brand engagement, and brand knowledge (brand awareness and brand image). Further, this chapter also explains previous studies, hypotheses, and conceptual frameworks used in this research.

#### **2.1.1 Social Media Marketing**

The surge in the digital world has resulted in the rise of social media as an internet-based application built based on digitalization that allows the users to exchange information with large or specific communities and gain a connection with user-generated content so that they are connected (Carr & Hayes, 2015). The emergence of social media applications such as Facebook, Instagram, TikTok, YouTube, and Twitter significantly impacts how brands transform their tendencies in promoting their products. Therefore, social media is recognized as an essential communication platform for exchanging brand-related information efficiently caused of the interactive features available in social media marketing activities (Knoll, 2016; Kusumasondjaja, 2018; Valos et al., 2017).

The brand's marketing activities transform social media as a networking tool and interaction into functional strategic elements to obtain desired marketing results (Larimo & Leonidou, 2020). Admittedly, many brands are starting to use social media marketing activities to communicate all information on social networking sites, namely Instagram, Facebook, TikTok, and many more. All of these activities are packed in the form of informative content that is in accordance with the products and services offered so that it aims to build solid and favorable brand knowledge in consumers' minds. (Keller, 2013; Phan et al., 2011; Yu & Yuan, 2019).

The use of social media as a marketing activity was also developed by (Kim & Ko, 2012) as a marketing tool with a different approach than traditional marketing like billboards, print ads, and many more. In addition, there are many advantages that consumer get through marketing activities such as content marketing which lead to entertainment and time efficiency in finding expected information through search engine features. Further, social media also offers the possibility for consumers to exchange information quickly and accurately through word-of-mouth, giving rise to the social media community. Thus, social media marketing activities are deployed to entertainment, interaction, trendiness, customization, and word of mouth. (Cheung et al., 2019a; Kudeshia & Kumar, 2017; Tugrul, 2015).

### **2.1.1.1 Entertainment**

Entertainment is an element that is considered to strongly support the users for creating connections with others on social media and participating in sharing content with other users (Mutinga et al., 2011). As an element of social media marketing, entertainment occurs when marketers create a pleasant experience using social media (Agichtein et al., 2008).

With countless informative content, consumers will feel entertained, stimulating them to continue searching for related content on social media. Entertainment can build a sense of attachment between consumers and brands, which deepens the brand knowledge in consumers' minds (Dessart et al., 2015). In line with that, the positive attitude from consumers is very beneficial for the brand to attract the attention of consumers in a broader range at a time.

### **2.1.1.2 Customization**

Customization refers to the level of adjustment of service required by consumers as a marketing strategy to satisfy consumers' personal needs (Godey et al., 2016). Thus, customized service can be viewed as a solution for consumers' benefit (Ding & Keh, 2015).

Customization also facilitates the marketers to find out the specific target market and build trust in the consumer's perspective, which strengthens the

decision-making process (Martin & Todorov, 2010). Thus, the service provided by the brands can create value for specific target consumers (Zhu & Chen, 2015).

### **2.1.1.3 Interaction**

In the range of social media, Godey et al., (2016) describe that interaction as a platform for making content between users. Correspondingly, social media interactions facilitate the exchange of various ideas and information between consumers who create the same content about a particular product or brand on social media (Mutinga et al., 2011). Hence, it changes the way brands and consumers make connections.

Freedom in interaction is also a motivating factor for consumers to create content for other users (Fischer & Reuber, 2011) and arguably strengthens their attitude towards a brand (Hajli, 2015). Therefore, creating unique content and applying two-way communication is essential to increase brand credibility (Manthiou et al., 2013).

### **2.1.1.4 Electronic Word of Mouth (EWOM)**

EWOM is a form of communication on social media platforms that occurs between consumers to exchange information to share their experience of a brand Muntinga et al., (2011). According to (Brown, 2011), social media can increase consumers' rating of a product, raising the information available for other potential

consumers. Further, EWOM produces higher levels of information since it is free to add brand-related information with relatively no disruptions from other social media users (Cheung et al., 2008; Jalivand & Samiei, 2012; Wu & Wang, 2011).

EWOM has a significant influence on building consumer perceptions of brands and directly impacts the decision-making process (Esch et al., 2006); (Martin & Todorov, 2010). Inversely, negative EWOM leads to less desirable brand-related outcomes and indicates the decreasing consumer trust and positive attitude toward a brand (Lee et al., 2009; Sachse & Mangold, 2011).

#### **2.1.1.5 Trendiness**

For the purpose of sharing information on social media, trendiness refers to how a brand can provide the latest, newest, and most trendy information required by consumers (Naaman et al., 2011). Consumers must search and obtain product-related information through social media platforms in the digitalization era. Henceforth, social media is considered more up-to-date than traditional platforms (Ashley & Tuten, 2015; Mangold & Faulds, 2009). Likewise, trendiness can assist marketers in providing the latest information to consumers; thus, it helps consumers reduce the effort in obtaining information in other social media communities (Becker et al., 2011; Laroche et al., 2013).

## 2.1.2 Consumer-Brand Engagement

Consumer-brand engagement (CBE) refers to a consumer's specific level of cognitive, emotional, and behavioral activity in brand interactions (Hollebeek, 2011, p. 790), making it necessary for marketing strategies to influence consumer behavior in building CBE (Harrigan et al., 2017; Leckie et al., 2016). Conceptualize, CBE is the form of consumer's psychological behavior that is shaped based on the experience of interaction between the subject and the object of engagement (Hollebeek, 2011a, 2011b; Dwivedi, 2015). CBE can potentially impact communication brands through social media based on the previous research. Further, (Schulz & Peltier, 2013) also argue that social media should be an effective platform to strengthen connections between consumers and brands to generate consumer-brand engagement positively.

In general, CBE has activities that focus on interactions and adopted into three dimensions (Hollebeek, 2011a, 2011b; Hollebeek et al., 2016) namely cognitive, affection, and activation:

- a. Cognitive processing is the level of consumer reactions to brands and the translation of information through interactions between consumers on certain brands.
- b. Affection is the brand potential to receive a positive consumer reaction due to the use of a particular product.
- c. Activation is the level of energy, effort, and time that consumers spend on a brand through interactions between consumer/brand.

Additionally, Barger et al. (2016) recommend that marketing content must comprehend with consumer's demand and able to provide benefits that can strengthen CBE. Likewise, De Vries et al. (2012) expressed that the creation of interactive and multisensory content is proficient to produce positive input on CBE which upturns consumer's psychological behavior toward a brand.

### **2.1.3 Brand Knowledge**

#### **2.1.3.1 Brand Awareness**

Brand awareness is the first step in creating brand knowledge. It refers to whether consumers can define or remember a brand in a particular product category or not (Aaker in Cheung et al., 2019). Consequently, applying brand awareness will directly impact the increasing purchases from consumers (Buil & Martínez, 2013).

Additionally, brand awareness is one of the most vital components of rising brand involvement caused by the outcome of brand awareness that will have an impact on consumer's memories to continue using or buying products from brands that they have trusted and recognized before (Keller, 2013; Langaro et al., 2018).

#### **2.1.3.2 Brand Image**

Brand image is identified as an attribute that shapes consumers' meaning and perception of a brand, including physical and functional attributes

such as packaging appearance, beliefs, emotion, and symbolic meaning associated with the brand (Arnould et al. in Park & Namkung, 2022).

Additionally, brand image is one of the main concepts to explain consumers' perceptions, behaviors, and mindsets regarding their acceptance of a brand (Song et al., 2019). Similarly, Zhang (2015) opined that consumer perceptions of a brand come from five different levels of satisfaction such as gratification with the brand function, the social image linked with brand ownership, and the sentimental value of the brand that forms the level of consumer confidence of a brand.





## 2.2 Previous Study

**Table 2. 1 Previous Studies**

Author	The Title of The Article	Variable	Analysis Tool	Conclusion
1. Man Lai Cheung, Guilherme Pires, Philip J. Rosenberger, III 2019	The Influence of Perceived Social Media Marketing Elements on Consumer-Brand Engagement and Brand Knowledge	1. Entertainment 2. Interaction 3. Trendiness 4. Customization 5. EWOM 6. Consumer-Brand Engagement 7. Brand Awareness 8. Brand Image	Partial Least Square (PLS) – Structural Equation Model (SEM)	The element of developing CBE comes from interaction, EWOM and trendiness. The significant result also happens in brand awareness and brand knowledge, contrasting on the entertainment and customization that have no-significant result on consumer-brand engagement.

Author	The Title of The Article	Variable	Analysis Tool	Conclusion
2. Kian Yeik Koay and Derek Lai Teik Ong, Kim Leng Khoo and Hui Jing Yeoh 2020	Perceived Social Media Marketing Activities and Consumer-Based Brand Equity	<ol style="list-style-type: none"> <li>1. Co-creation Behavior</li> <li>2. Perceived Social Media Marketing Activities</li> <li>3. Brand Experience</li> <li>4. Consumer-Based Brand Equity</li> </ol>	Partial Least Square (PLS) – Structural Equation Model (SEM) and Expectation-Maximization (EM)	The results illustrate that perceived social media marketing have a significant positive influence on consumer-based brand equity. In addition, brand experience mediates the relationship between perceived social media marketing activities and consumer-based brand equity. However, the opposite comes from the co-creation behavior that have no moderating effect.

Author	The Title of The Article	Variable	Analysis Tool	Conclusion
3. Tenzin Choedon, Young-Chan Lee 2020	The Effect of Social Media Marketing Activities on Purchase Intention with Brand Equity and Social Brand Engagement: Empirical Evidence from Korean Cosmetic Firms	<ol style="list-style-type: none"> <li>1. Entertainment</li> <li>2. Interaction</li> <li>3. Trendiness</li> <li>4. Customization</li> <li>5. EWOM</li> <li>6. Social Media Marketing Activities (SMMA)</li> <li>7. Brand Equity</li> <li>8. Social Brand Engagement</li> <li>9. Purchase Intention</li> </ol>	Exploratory Factor Analysis (EFA), Kaiser-Meyer-Olkin (KMO) and Bartlett's test	The result shows that SMMA have positive influence on brand equity and brand equity itself have correlation on consumer confidence index. Next, social media engagement also influence by the positive social media marketing activities. In addition, social engagement was positively affecting social brand engagement and brand equity as well.

Author	The Title of The Article	Variable	Analysis Tool	Conclusion
4. Cho-I Park and Young Namkung 2022	The Effects of Instagram Marketing Activities on Customer-Based Brand Equity in the Coffee Industry	<ol style="list-style-type: none"> <li>1. Entertainment</li> <li>2. Interaction</li> <li>3. Trendiness</li> <li>4. Customization</li> <li>5. Instagram Marketing Activities</li> <li>6. Customer-Based Brand Equity</li> <li>7. Brand Awareness</li> <li>8. Brand Image</li> <li>9. Perceived Quality</li> <li>10. Brand Loyalty (Brand Love &amp; Brand Instagram Re-Usage Intention)</li> </ol>	SPSS 26 & AMOS 22	<p>The result shows Instagram marketing activities significantly affected brand awareness, brand image, and perceived quality. Further, brand image has stronger positive impact on Instagram marketing activities than brand awareness and perceived quality. Instagram marketing activities are significant for the gradual increase on purchase. Thus, brand image had the greatest effect on forming consumer loyalty.</p>

Author	The Title of The Article	Variable	Analysis Tool	Conclusion
5. Ardy Wibowo, Shih-Chih Chen, Uraiporn Wiangin, Yin Ma, Athapol Ruangkanjanases 2020	Customer Behavior as an Outcome of Social Media Marketing: The Role of Social Media Marketing Activity and Customer Experience	<ol style="list-style-type: none"> <li>1. Social Media Marketing Activity (Entertainment, Interaction, Trendiness, Customization, Word-of-Mouth)</li> <li>2. Customer Experience (Sense, Think, Feel, Act, Relate)</li> <li>3. Relationship Quality (Trust &amp; Satisfaction)</li> <li>4. Purchase Intention</li> <li>5. Loyalty Intention</li> <li>6. Participation Intention</li> </ol>	Partial Least Square (PLS) – Smart PLS 3	This research found that SMMA has significant impact on relationship quality through Instagram interaction content. Additionally, customer experience (CX) stimulate the relationship quality, hence arranging marketing content based on CX is compulsory. Similar effect also happens in the mediation test.

Author	The Title of The Article	Variable	Analysis Tool	Conclusion
6. Haggah Wambui Macharia, Ying Cheng 2019	How Do Social Media Marketing Activities Influence Customer Equity and Purchase Intention	<ol style="list-style-type: none"> <li>1. Social Media Marketing Activities</li> <li>2. Value Equity</li> <li>3. Brand Equity</li> <li>4. Relationship Equity</li> <li>5. Purchase Intention</li> <li>6. Information Richness</li> </ol>	SPSS	<p>Social Media Marketing Activities influenced positively on Gen-Y consumer equity and essential for the purchase intention. However, the opposite comes from the value equity and SMMA that has less significant impact. Other than that, the information richness as the moderating has a negative effect on SMMA and purchase intention.</p>

### 2.3 Hypothesis Development

Consumers who obtain entertaining social media marketing content are tested to have more significant cognitive effort to understand the brand through brand communications (Barger et al., 2016). Entertaining communications are achieved by interesting content information to consumers, which can arguably reinforce their affection toward a brand (Hollebeek et al., 2014; Ismail, 2017). Through social media platforms, consumers can express their personal feelings and thoughts with a brand through content which causes the possibility of two-way communication. By applying social media marketing activities, the brand should obtain a brand community caused by the surge of consumers who can express their feeling freely and communicate with other users Schulz and Peltier (2013).

Additionally, Choedon & Lee 2020 tested that social media, which successfully provide platforms for consumers to share information through entertaining social media marketing content, are more engaging in the cosmetic industry. Therefore, consumers engaged in a brand are more eager to share their brand knowledge and thoughts about the brand with other users on social media platforms; thus, this habitual connection will lead to the formation of consumer-brand engagement. Furthermore, Choedon & Lee 2020 examined that social media marketing activities are more effective in generating positive results than traditional marketing media, so traditional media are not usually offered in the

cosmetic industry. In addition, followed by the previous study by Chen & Lin (2019), Yadav & Rahman (2017) examined that brands should actively manage their connection to consumers to increase their attention to purchasing cosmetics products.

**H1: Entertaining SMM content is influence to consumer–brand engagement.**

Social media marketing is tested to have a different approach to attracting consumers than traditional marketing, such as billboards and print advertising. Social media marketing was more influential in generating consumer attention and satisfaction because social media marketing activities can provide brand-related information that fits consumer needs (Rohm et al., 2013).

In regards, the existence of customized services according to consumer preferences will affect the cognitive development experience, which influences a positive impact on a brand as a form of consumer-brand engagement (Phan et al., 2011). Hence, consumers will consider the brand in decision-making (Harrigan et al., 2018).

**H2: Customization is influence to consumer-brand engagement.**

Social media platforms provide activities to maintain an interactive connection through brand pages (Ismail, 2017), like activities that encourage consumers to share their experiences of a brand by spreading information (i.e.,



reviews) and the benefits obtained by creating reviews on the official brand page (Manthiou et al., 2014).

All forms of activities that involve consumers are essential for building interactions between consumers and brands (Hanna et al., 2011). Therefore, the findings from (Dessart et al., 2015) reveal that marketers must provide feedback on content created by consumers by leaving positive comments or posting their stories on the official social media brand pages. Hence (Manthiou et al., 2014) indicates that the increase in interactivity between consumers and brand is caused by the strong connection built by the brand.

**H3: Interactivity is influence to consumer-brand engagement.**

A previous study revealed by King et al. 2014, consumer-brand engagement is associated with the emergence of EWOM for both searching and experience product categories. Additionally, (Ananda et al., 2019; Wu & Wang, 2011) found that the development of social media applied in marketing strategies has increased the number of consumers whom the final decision-making process is based on the brand evaluation on EWOM. Consistent with the study from (Srivasta & Sivaramakrishnan, 2020), urban societies and well-educated consumers with the moderators on product complexity and involvement found that the relationship between EWOM and consumer-brand engagement remains the same for all product categories.

Arguably, EWOM positively impacts brand evaluation and encourages consumers to increase their cognitive effort in reading the brand information to find a knowledge of a brand (Krishnamurthy & Kumar, 2018). Mentioned that social media affects the level of consumer trust in brands (Cheung et al., 2008; Kudeshia & Kumar, 2017), and the influence of EWOM to share information between consumers can generate positive feelings (De Vries et al., 2012), which cause on strengthening consumer-brand engagement.

#### **H4: EWOM is influence to consumer-brand engagement**

Additionally, in the social media era, consumers tend to be motivated to consume relevant and trendy information about a brand regularly. Thus, they will not feel left out of the newest update of a brand they desire (Gallaughier & Ransbotham, 2010). In accordance, brands must always be trendy and provide the latest information on their social media pages to objectify consumers constantly looking for updates on social media platforms.

Research by (Chan et al., 2014; Gallaughier & Ransbotham, 2010) reveals that Facebook as the social media platform can facilitate consumer initiatives to discuss with other users, which caused the rise of cognitive effort on reading the latest news from the brand. Correspondently, Hollebeek (2011) findings revealed that consumer contribution to brand engagement was caused by the rise of consumer cognitive and emotional behavior. Therefore, trendy information helps

brands attract consumers' attention, strengthen consumer-brand engagement, and generate positive feelings.

**H5: Trendiness is influence to consumer-brand engagement**

Whenever potential consumers can recognize a brand in their minds (Keller, 2016), social media marketing activities successfully create consumer brand engagement (Ismail, A.R., 2017). Brand awareness is an essential component of brand knowledge, primarily during decision-making (Lanaro et al., 2018; Su, 2016). The positive relationship between social media marketing activities, consumer brand engagement, and brand knowledge has been supported by the research examined by SEO and Park (2018) on the airline industry.

The outcome of successful brand awareness and brand knowledge is influenced by an approach to social media marketing activities. Furthermore, literature from (Brodie et al., 2013; Hanna et al., 2011) assumed that social media marketing activities in delivering information strengthen the interaction between consumers and brands. Additionally, a recent study on Novin Charm Company showed that it is essential for a brand to pay attention to social approach issues and use emotional communication to create communities that affect brand awareness (Nobar et al., 2020).

**H6: Consumer-brand engagement is influence to brand awareness.**

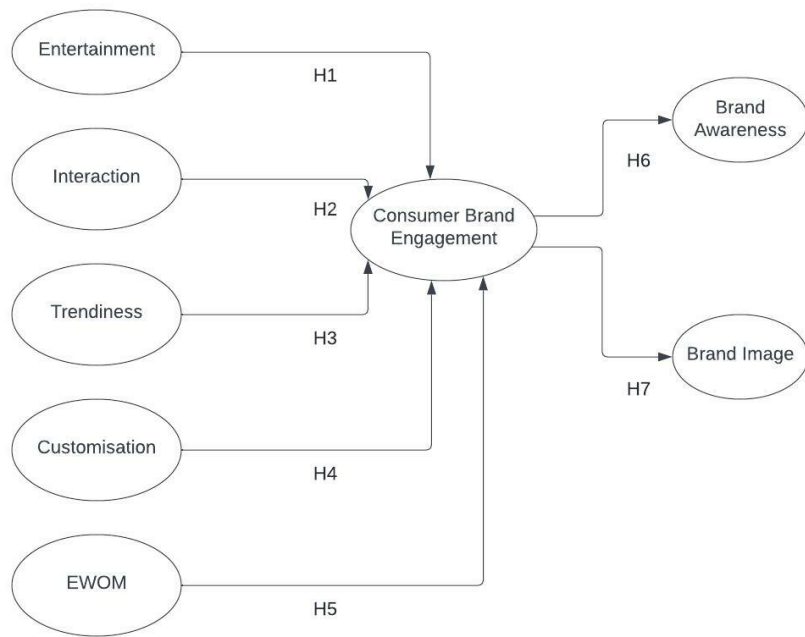
Besides that, the brand image exists as a brand that can embed its elements in consumers' minds and position itself as a strong brand capable of being the primary choice in the decision-making process Keller (2013). Research by (Nobar et al., 2020) on Novin Charm Company examined that a well-built social media activity can have a significant impact on the rise of brand commitment. Consequently, brands emphasize brand engagement in advertising and public communication activities (Iglesias & Ind, 2016).

Additionally, literature from (Persson, 2010) assumed that brand image is an essential factor for the brand-building process because it will relate to the brand's ability to set prices. Thus, brand image can contribute to brand profitability (Chen & Chang, 2008). The literature is aligned with the previous research done by (Choedon & Lee, 2020) on cosmetic firms that revealed the interconnection of brand engagement and brand knowledge for future brand benefits.

**H7: Consumer–brand engagement is influence to brand image.**

## **2.4 Conceptual Framework**

The conceptual framework that is implied consists of five independent variables which are distributed into entertainment, interaction, trendiness, customization, and EWOM and continued by three dependent variables distributed into consumer brand engagement, brand awareness, and brand image.



**Figure 2. 1 Research Model**  
Source: Cheung et al., 2019