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# Building brand equity through social media marketing in international SMEs

Master's Thesis in
International Business

Vaasa 2020

**ABSTRACT:**
The increased use of social media has created a whole new approach for international companies to reach customers across the national borders. That is why, international companies are forced to integrate social media into their marketing strategy in order to survive in competitive markets. Especially for small and medium-sized companies, social media might be a necessary tool to build their brand in cost-effective way. This thesis seeks to gain deeper understanding the role of social media marketing and its impact to brand equity in international SMEs.

The reader is introduced to the concept of social media: What it is and how it can be used part of marketing processes in international companies. Also, the theory of brand equity is established with suggesting different explanations and features of the concept. Finally, the thesis provides an overview of how small and medium-sized international companies can utilize social media marketing in order to build their brand equity.

The study was conducted through semi-structured interviews with four international SMEs based on Finland. With use of secondary sources such as academic literature, websites and social media sites of the companies, the study proposes a conclusion of the importance of social media marketing in context of brand equity with focus on international SMEs.  The results show that international small and medium-sized companies are noticing the importance of social media marketing and it proved to be one of the most effective marketing tools for each case company. The creation of social media strategies proved to be important due the changing nature of social media. Furthermore, findings revealed that with social media marketing, case companies have been able to increase their brand equity, especially brand awareness and brand loyalty. However, most of the case companies argued that social media marketing solely is not enough to guarantee the increased brand equity.

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**VAASAN YLIOPISTO**
**Markkinoinnin ja viestinnän yksikkö**

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|---|---|
| **Tekijä:** | Anniina Lempinen |
| **Tutkielman nimi:** | Brändipääoman rakentaminen sosiaalisen median markkinoinnilla kansainvälisissä Pk-yrityksissä |
| **Tutkinto:** | Kauppatieteiden maisteri |
| **Oppiaine:** | Kansainvälisen liiketoiminnan maisteriohjelma |
| **Työn ohjaaja:** | Peter Gabrielsson |
| **Valmistumisvuosi:** | **2020** |
| **Sivumäärä:** | 111 |

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**TIIVISTELMÄ:**
Sosiaalisen median käyttö on luonut täysin uuden tavan yrityksille tavoittaa asiakkaita yli kansallisten rajojen. Selviytyäkseen kilpailuilla kansainvälisillä markkinoilla, kansainvälisten yritysten on otettava sosiaalinen media huomioon markkinointistrategiassaan. Etenkin pienille ja keskisuurille yrityksille (Pk) sosiaalinen media voi olla tärkeä työkalu jonka avulla rakentaa kustannustehokkaasti kansainvälistä brändiä. Tämän tutkielman tavoitteena on tarjota lukijalle parempi ymmärrys sosiaalisen median markkinoinnin roolista ja sen vaikutuksesta kansainvälisten Pk-yritysten brändipääomaan.

Lukijalle esitellään sosiaalisen median konsepti: Mitä se on ja kuinka sitä voidaan käyttää osana kansainvälisten Pk-yritysten markkinointia. Teoriaosassa tutustutaan tarkemmin brändipääomaan ja sen eri teorioihin. Lopulta tutkielma kokoaa yhteen miten kansainväliset pk-yritykset voivat hyödyntää sosiaalisen median markkinointia rakentaakseen brändiomaa.

Tämä tutkimus toteutettiin teemahaastatteluilla neljän suomalaisen kansainvälisen Pk-yrityksen kanssa. Lisäksi tutkimuksessa käytettiin apuna sekundäärilähteitä, kuten akateemista kirjallisuutta, yritysten nettisivuja ja sosiaalisen median tilejä. Näiden lähteiden avulla tutkimus pyrkii selittämään sosiaalisen median markkinoinnin tärkeyden brändipääoman rakentamisessa, etenkin kansainvälisten Pk-yritysten toiminnassa. Tulokset osoittavat, että kansainväliset Pk-yritykset ymmärtävät sosiaalisen median tärkeyden markkinoinnissa ja sen on todettu olevan yksi tehokkaimmista markkinointityökaluista yrityksille. Sosiaalisen median jatkuvasti muuttuvan luonteen takia markkinointistrategian luominen osoittautui tärkeäksi. Tulokset paljastivat, että sosiaalisen median markkinoinnin avulla kohdeyritykset ovat pystyneet kasvattamaan brändipääomaansa, etenkin bränditietoisuutta ja –lojaalisuutta. Ei voida kuitenkaan todistaa, että sosiaalisen median markkinointi yksinään kasvattaisi brändipääomaa.

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**AVAINSANAT:** Sosiaalinen media, käyttäjien luoma sisältö, yrityksen luoma sisältö, brändi, brändipääoma, Pk-yritys

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## List of abbreviations

B2B          Business-to-Business

B2C          Business-to-Consumer

SM          Social Media

SMM          Social media marketing

SME          Small and medium- sized enterprise

UGC          User-generated content

FGC          Firm-generated content

eWOM          Electronic Word-of-Mouth

# 1  Introduction

## 1.1  Background

Today, marketing has become dynamic and more complicated because of the digitalization.  The flow of information between company and consumers has turned interactive and fast. That is why, the choice of the most effective marketing channel is very crucial for companies and marketers are forced to pay attention to their marketing strategies in order to maintain their competiveness in the future. (Zahoor & Qureshi 2017.) Social media has created a whole new approach for companies and their brands to reach new customers and engage their existing customers, since it provides enormously opportunities for building reputation and brand awareness. Also, it has reached an important role in developing brand equity.  (Cicek, Universitesi & Erdogmus 2012.)

Social media marketing (SMM) has emerged its popularity compared to traditional marketing tools because consumers spend major amount of time on the social media platforms. (McArthur & White 2016.) Hence, several companies have understood the idea of being present in different social media channels and have started to invest more resources and time to social media marketing. By using social media as a part of marketing activities, companies are able to achieve many advantages such as increased sales, expanded brand awareness, positive associations, increased consumer loyalty and satisfaction towards the brand. (Zailskaite-Jakste & Kuvykaite 2013.)

With brands, consumers are able to select products and choose the most suitable option by comparing products to others. The brand classifies the origin and quality of the product, that allows consumers to built trust on the certain brand. (Keller 2003, 34-35.) Building and maintaining brand loyalty is crucial for every company, therefore social media marketing has become an important and effective way to maintain the loyalty of customers. (Cicek et al. 2012.)

The most popular social media platforms are Facebook, Youtube and Instagram. For example, Instagram reached one billion monthly active users in June 2018 and everyday 500 million active users are using this platform daily. 83% of Instagram users say that they discover new products and services on Instagram. It can be seen that Instagram users seek inspiration from the platform. (Emarketer 2018.) 50% of Instagram users actively follow at least one brand in Instagram, which means that brands have a great opportunity to increase their amount of potential customers by reaching them through Instagram. (Mention 2018.)

Consumer satisfaction and brand credibility are vital elements which form the basis of consumer-brand relationships. If brand can gain positive and exclusive meaning to the minds of the consumers, they become loyal to the brand and the brand become irreplaceable. Brand loyalty brings market share, sales revenues and profitability to the companies. (Keller 2008.) By using social media, companies and brands are able to provide affective and cognitive experiences to their users. However, it is difficult to measure the impact of social media marketing activities and brand's success. (Zahoor & Qureshi 2017.)

Social media marketing and brand building have received a lot of attention in the literature in the past years. The focus of the studies has been on brand equity building through social media channels. Brands are intangible assets for businesses that help them stand out from competitors. By building a strong brand, companies can have numerous advantages such as customer satisfaction and loyalty towards brand, and increased sales and awareness. In case of understate the importance of branding and power of social media, companies may face several obstacles what comes to their success and financial outcomes. (Zahoor & Qureshi 2017.)

The focus of this study is especially in international small and medium-sized (SMEs) companies and how they can utilize social media marketing in order to build brand equity. Typically, marketing in SMEs is not as well developed as it is in large companies. Because of the limited resources and amount of employees, SMEs might struggle with

their marketing activities. (Walsh & Lipinski 2009.) Also, the visibility of the brand may be lower compared to larger companies. Large companies usually have a separate marketing department that is in charge of marketing activities. Hence, marketing results may be more influential compared to smaller companies. That is why, social media can be very useful especially for small and medium-sized, less-known companies because of its cost-effectiveness and easiness. (Karimi & Naghibi 2015.)

Small and medium-sized companies all over the world, but especially in developed countries, have been studied to deliver industrial growth. Generally, SMEs have been associated in innovation, economic growth and creation of jobs. (Okpara & Wynn 2007.) Small and medium-sized companies have diverse criteria in different countries. Therefore, is hard to examine the universally accepted definition of SMEs. However, the most valid criteria defining SMEs are amount of employees and asset value. (Lucky & Olusegun 2012.) Jasra, Khan, Hunjra, Rehman & Azam (2011) argue that SME represent business that is having less than 250 employees and total asset is less than 50 million.

The importance of this topic can be seen in the increasing use of social media platforms and potential consumers who are likely to engage emotionally with brands. Social media has provided a complete new way for marketers to interact with their customers. (Cicek et al. 2012.) Today, social media reaches more than two thirds of all internet users which provides a great opportunity for companies to build their brand equity. Marketers have embraced social media marketing for different marketing objectives and most of the marketers prefer social media in order to built their brand. (eMarketer 2013.) Also, according to Social Media Industry Report, 86% of the marketers trust that social media channels are crucial and irreplaceable part of their marketing initiatives. (Stelzner 2013).

Previous studies suggest that brands should focus on maintaining a social presence in the various social media channels in order to engage with consumers (Ling, Beenen, Ludford, Wang, Chang, Cosley, Frankowski, Terveen, Rashid, Resnick & Kraut 2004). Brand building is one major strategic tool that companies should take into account

carefully. The strong and well-recognized brand allows companies to gather loyal and long-term relationships with their customers. Therefore, the shared marketing content in social media should be fresh and frequent. In addition, it has to enable the participation of consumers. By being present in various social media channels, brands are able to have fluent two-way communications with their customers in real time and all over the world. (Ashley & Tuten 2015.)

The traditional marketing tools are misplacing their popularity because consumers are more likely trust the opinions of other consumers through social media than adverts made by companies and brands. For companies, it is crucial to join the conversations of their brand and communicate with the consumers. That is why, the possibility to interact with consumers and response quickly to them in social media is assisting companies largely with their marketing process. (Goldsmith & Horowitz 2006.) Social media have improved during past years that can be seen for example as the growth of user-generated content. It means that consumers are able to create, share and edit public content easily and companies are able to utilize this user-generated content as a part of their social media marketing. (Power & Phillips-Wren 2011.)

## 1.2   Research gap

There is still lack of empirical studies in social media marketing and it effects from the perspective of branding. (Hollebeek, Glynn & Brodie 2014.) Also, there is limited amount of previous studies of how small and medium-sized companies can build strong brands, since most of the studies are focusing on large companies (Odoom 2016). Although, marketers have received the information of the effectiveness of social media marketing, they do not have enough guidance on how different messages and marketing strategies will affect consumers' engagement and brand outcomes such as brand equity. Also, it is crucial to understand how to communicate in social media in way that it would affect positively to brand equity. (Ashley & Tuten 2015.) The unclear part is that how brand can effectively get its message to the consumers at the same time taking into account their needs and desires. The need of creative strategies in social media marketing are highly

needed and have to be taken into account. Marketers should clarify which social media channels are being used by most popular brands and what efforts they have been done towards their popularity. (Chi 2011.)

Because the aim is to clarify how international SMEs can use social media marketing in order to build their brand equity is important to consider the national differences and possible barriers related to social media marketing in target countries. Therefore, the study focuses to examine the possibilities and threats of international social media marketing. Also, which social media strategies and platforms international brand should utilize in order to get customer engagement and greater brand equity.  (Ashley & Tuten 2015.)

## 1.3   Research problem, question and objectives of the study

The primary purpose of this paper is to identify the effect of social media marketing for international SMEs and how it can be associated with brand equity. Essential part of this paper is to clarify the possibilities that small and medium-sized international companies have in order to built their brands through social media and what kind of actions they should take into account in the marketing process.  Also, which social media channels are the most effective for specific companies and what kind of content and how often they should release. In addition, the possible barriers related to different countries are considered. Through a deep understanding of brand equity and its connection to social media the research examines the interaction between consumer and brand on social media in terms of building brand equity. The main research question will be **"How can small and medium-sized international companies utilize social media marketing in order to build their brand equity?"**

In order to understand the purpose of the research paper and get answer to the research question, the objectives must be clarified. These objectives will support the research question and assist to understand it. The following objectives have been set for this research paper:

1. To develop social media marketing alternatives for small and medium-sized international companies.

2. To explain concepts of brand equity and how they apply for small and medium-sized international companies.

3. To examine connection between social media marketing and brand equity in small and medium-sized international companies by using previous research and interviews.

## 1.4   Limitations of the study

The main goal is to find the answer to the research question by using both theory and interviews related to the context.  It is necessary to understand how especially international SMEs can utilize social media marketing in order to built their brand equity. All of the case companies introduced in the empirical part are business-to-consumer (B2C) companies, so the answers of the interviews can be compared as equal as possible. Also, it is essential to see that there can be also threats in social media which can decrease the brand equity. The theoretical part consists namely brand equity and social media marketing actions that can be useful for international SMEs. While social media and brand equity are broad topics, the research focuses to explain these from specific perspective and allow deeper understanding by using interviews.

## 1.5   Structure of the study

The first chapter of the research paper will be introduction, which leads reader to understand the topic of the paper by giving an overview of the upcoming theory. The idea of this chapter is to create interest of the topic to reader. Also, the first chapter identifies the research problem and research questions with providing objectives of the study. In addition, this chapter clarifies the need of the study and limitations related to the topic.

The second chapter consist of the literature review which includes the existing theory about the topic. The theoretical parts consist of two main topics which are social media and branding. The first part of literature review focuses to explain the definition of social media and and social media marketing communication, strategies and categories. Social media marketing is divided on five key features: firm-generated content, user-generated content, online brand communities, customer engagement and eWOM. These features are essential part of the entire study. The purpose of this chapter is to clarify the effectiveness and importance of social media marketing and measure which tools and strategies are the most suitable especially for international SMEs.

The other part of literature review consists of explanation of brands and brand equity by clarifying the dimensions regarding the brand equity. It provides an overview to the reader what brand equity means and which are the main dimensions related to it. This part includes an overview of Aaker's (1991) brand equity model and brand building process which consist of brand loyalty, brand awareness, perceived quality, brand associations and other assets. Also, Keller's (1993) brand equity components are well considered in this part. Theory parts are described separately, so the reader is able to understand the basic knowledge of the both topics. In the end of the complete theoretical part, these parts will be combined to develop the theoretical framework and future expectations.

The third chapter will consist of methodology of the research. The importance of this part lays on the reliability and validity of the concepts. In this chapter the choice of methods is justified and explained. The chapter consist of research design, data collection and analysis, and validity and reliability of the study. The search of potential case companies is explained and choice of the final case companies is justified. Also, in the end of this chapter the case companies will be introduced to the reader.

The fourth chapter will analyze and evaluate the findings of the case study. Findings are formed in order to acquire answers to the research questions and objectives of the study.

The discussion of the findings is divided in parts to give clear overview of the main issues related to interviews. Focus of the findings is on use of social media, international social media marketing, social media strategy and social media marketing fey features in case companies. Also, defining brand equity by using Aaker's (1991) model and reflecting it to the case companies answers. In the end of this chapter, the theoretical framework, which have been developed earlier will be connected and updated based on the findings of the case study.

The final chapter will conclude the summary by combining the theory with the findings from the case study. Also, a clear conclusion is provided together with managerial and theoretical implications, and suggestions for future research. The aim of this final chapter is to make sure that reader understands the entire study from starting point to where it has led to. The main purpose of this chapter is to gather results from the case study and theory by reflecting those to the original objectives presented in the first chapter. Also, the answer to the main research question will be proposed in this chapter. In the end of this chapter, the be potential future research areas provided.

# 2 Literature view

The literature review of this research paper will be categorized into two different parts. First part focuses on social media, the key features of it and social media marketing in international SMEs. The second part consists of brand strategy which include defining brands, global brands, brand equity, and different approaches related to it. These parts will provide a clear overview to reader of the main theories and concepts of this paper. The main focus is to examine the theory part from international aspect. In addition, the theory part will clarify the main terms of the study and gives support to the research question and helps reader to understand the connection between main concepts. Furthermore, different figures and tables are presented in order to give more clear overview of the theory.

## 2.1 Social media

Social media consist of online applications, platforms and media which aim is to share content, enable interaction among people and collaborations between companies and consumers.  It can be defined as "a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user-generated content" (Kaplan & Haenlein 2010). Social media allows tp create a highly interactive platform where individuals and communities can share, modify and co-create user-generated content that is available all over the world. (Kietzmann, Hermkens, McCarthy & Silvestre 2011.)

Social media has enabled almost unlimited marketing opportunities for companies. The major objective of social media marketing is to assist the customers to move through their purchasing process. (Tuten & Solomon 2017.) Furthermore, through social media, companies are able to gain more information about competitors, market and customer needs (Parveen, Jafaar & Ainin 2014). Marketers can influence consumers wants and desires with promotional marketing messages in social media. Active use of social media can influence to purchase process by increasing awareness, influencing desire,

encouraging trial, facilitating purchase and strengthening brand loyalty. (Tuten & Solomon 2017.) Increasing source of information have led to consumers' preferences towards brands and have assisted them to become fans of brands on social media. Social media provides a platform where consumers are able to share their positive or negative opinions about brands to other social media users. That is why, companies are not anymore the only source of their brand communication. (Kaplan & Haenlein 2010).

Social media gathers together people with same interest and allows them to share information easily and quickly (Karamian, Nadoushan, Nadoushan 2015). Social media can be seen a more trustworthy source of information compared to traditional marketing, because it is interactive and allows customers to have a realm time communication with the company. However, many companies mismanage the opportunities of social media because of lack of understanding the various forms of it. Therefore, it is crucial to clarify the functional characters of social media activities and implications of those. (Kaplan & Haenlein 2010.)

## 2.1.1 Social media marketing

Social media marketing refers to marketing way that uses interactive social platforms such as Facebook, Instagram and YouTube to create communities of people with similar interests, and interact with customers and potential customers. It empowers companies and individuals to promote themselves and their brands through social media platforms. With help of social media, it is possible to reach considerably larger amount of people compared to traditional advertising channels. (Wilson 2010.) The open access to see and comment other social media users' shared content, provides great opportunities for consumers. For example, possibility to control marketing communications by spreading information about products, services and brands to other social media users. This can be either beneficial or damaging for companies. However, with its enormous size and great marketing potential, social media can provide strategic significance for companies. (Pentina & Koh 2012.)

Social media marketing can be very valuable for companies because it demands less effort and lower costs than traditional marketing. Social media marketing enables the fluent communication between company and customers. Therefore, companies are able to create more social value to their brand and can have a large impact on brand's reputation. (Kim & Ko 2012). Usage of social media marketing provides unique opportunities especially for international small and medium-sized companies. Social media is able to give access for SMEs to larger international markets because of its cost-effectiveness, easiness and reach. In order to achieve business benefits with use of social media, companies need to set down their social media objectives and set of tools to achieve them. (McCann & Barlow 2015.)

In order to get business advantage from social media marketing, there should be a clear link between resources and economic return. (Wilson 2010.) Understanding which strategic ways to follow, what kind of tactics to use and which benefits are expected will assist managers to set objectives and allocate their marketing resources. (Pentina & Koh 2012.) By using social media marketing, the marketers are able to capture the attention of numerous customers, enlarge their business and lower their costs. (Rafiee & Sarabdeen 2013.)

Social media marketing (SMM) has five key features: user-generated content, firm-generated content, customer engagement, eWOM and online brand communities. (Zahoor & Qureshi 2017.) *User-generated content (UGC)* refers to content that has been created by consumers of an online platform, social media channel or website. Therefore, it is usually trustworthy because consumers trust information created by other consumers more than the information created by marketers. (Mudambi & Schuff 2010; MacKinnon 2012.) User-generated content (UGC) has been studied to have a positive impact on brand equity and brand attitude. UGC is able to enhance the customer loyalty and satisfaction, even if customer needs are changing constantly. (Sashi 2012; Schivisnki 2013; Schivinski & Dabrowski 2014.)

*Firm-generated content* refers to the material that can be pictures, text, audio or video that company produces and shares to the world through social media channels or websites. The focus of firm-generated content is on maintaining customer relationships and managing brands. (Zahoor & Qureshi 2017; Gensler, Volckner, Liu-Thompkins & Wiertz 2013.) Consequently, brand communication is created by the company, but consumers in social media are increasingly affecting the communication of the brand. Therefore, the difference between firm-created content and user-generated content have to be clear. (Bruhn et al. 2012.) Firm-generated content has been studied to have impact on brand image and brand attitude which are influencing on brand equity and consumers' willingness to purchase. (Schivisnki & Dabrowski 2014.)

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                    ┌─────────────────┐
                    │  Social media   │
                    │   marketing     │
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| User-generated content | Firm-generated content | Customer engagement | eWOM | Online brand communities |
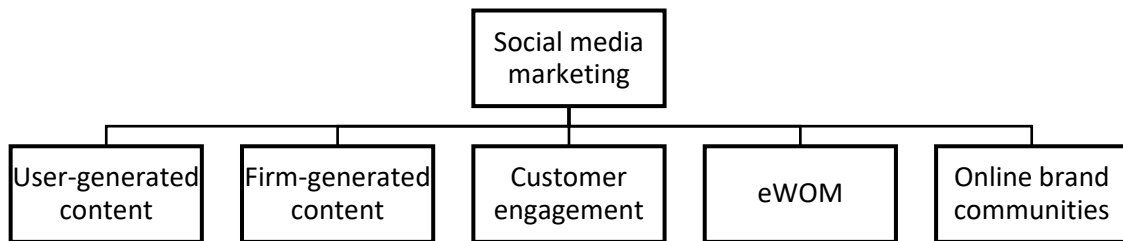
**Figure 1**. Key features of social media marketing (Zahoor & Qureshi 2017).

*Customer engagement* can be defined as "the level of a customer´s physical, cognitive and emotional presence in their relationship with an organization" (Patterson, Yu & De-Ruyter 2006). With engagement of customers, companies can form and maintain a competitive advantage among competitors. (Zailskaite-Jakste and Kuvykaite 2012) By enhancing customer engagement companies are able to increase their brand awareness and brand image. Engaged and loyal customers are likely to watch, share, comment and like brand´s social media content that increases the brand equity. (Zailskaite-Jakste & Kuvykaite 2013.)

*eWOM (Electronical Word-of-Mouth)* can be seen as a chain where one person shares information and the other person shares the information forward. This mean that

information can spread extremely quickly and largely through social media. (Zahoor & Qureshi 2017.) Social media platforms enable consumer-to-consumer communication and communication with unknown customers accelerates. (Bruhn, Schoenmueller & Schäfer 2012.) The effectiveness of eWOM is based on the fact, that consumers are trusting more on other consumers' opinions of product or brand rather than believe in an advert. Also, eWOM have been studied to positively influence brand awareness, brand loyalty and perceived quality. (Alam & Khan 2015.) Therefore, the impact of brand choice is greater by using eWOM than normal advertising. For small companies, eWOM presents an important a role of marketing because existing customers are the most important source of new customers for small companies. (Trusov, Bucklin & Pauwels 2009.)

However, there are also disadvantages related to eWOM because there is always risks what comes to word-of-mouth communication. Since, the information is based on other consumer's opinions so the trustworthiness is not guaranteed. Consumers not necessarily communicate positively about products and brands that might influence negatively to brand image and brand associations. Companies need to be careful when they influence to the consumers' opinions in order to avoid skepticism towards their products and brand. However, companies can gather useful information about advantages and disadvantages of their products and brand from the consumers that they can use as an advantage in the future. (Mayzlin 2006.)

*An online brand community* is described as a group of individuals who share information and support each other. It can be also seen as a non-geographical community which consist of admirers of same brand. The individuals of online brand community are interacting on online with each other. These online communities allow businesses to engage with their prospect customers. Therefore, companies can hugely increase knowledge about their customers needs and desires by being part of online communities. (Abrahamsen & Hartmann 2006.) Online brand communities have an influence to brand commitment and brand associations. In addition, it has been found

to strengthen relationships with the brand and customer even keeping the unsatisfied customers loyal to the brand. (Dessart, Veloutsou & Morgan-Thomas 2015).

Marketers should be aware that they are not able to improve their hedonic brand image by using firm-created social media communication. Nevertheless, they have a possibility to influence consumer-to-consumer communications. (Mangold & Faulds 2009.) For example, marketers can create a framework or platform where consumers can share their opinions and experiences about the brand. Therefore, marketers are able to lead consumers to the certain direction and conclusion about the brand by stimulating consumers to participate discussion about the brand in social media platforms. For example, companies can emphasize eWOM communication by requesting consumers to promote their brand. By sending product samples to consumers and ask them to share opinions of the products and brand in social media platforms, companies are able to increase the visibility of their brand. (Bruhn et al. 2012; Mangold & Faulds 2009.)

### 2.1.2   International SMM communication

The communication in social media can be shared in three categories: communication between brands and consumers, consumer-to-consumer communication and communication between consumer and brand (Patterson 2011; Mangold & Faulds 2009; Schau, Múniz & Arnould 2009.) *Communication between brand and consumer* refers to delivering the message from brand to consumer in way that it would reach as many consumers as possible. Brands are dependent of consumers because consumers themselves decide how to interpret a brand and their marketing messages. (Zailskaite-Jakste & Kuvykaite 2013.)

In order to communicate successfully with consumers, brands have to examine their environment such as social media platforms, tactics used by other brands and communication between consumers. Also, it is crucial to plan a strategy which include the basic idea and content of the marketing messages, target groups and suitable marketing channels. Communication actions should be carefully analyzed, prepared,

implemented and integrated into strategy. However, in the end, successfulness of the communication depends on consumers will and desires. (Woerndl, Papagiannidis, Bourlakis & Li 2008.)

*Consumer-to-consumer communication* refers to the information that consumers shares to other consumers of brands and products. The shared information can be either negative or positive. (Muniz & Schau 2011.) However, people are more interested to share their negative experiences about brand and products than positive experiences. If there is a lot of negative comments about the brand but also few positive comments, consumers are more likely to have negative image of the brand. This can decrease brand equity which leads to situation where consumers are more likely to choose an additional brand. (Bambauer-Sachse & Mangold 2010.)

*Consumer-brand communication* means consumer's feedback to brand. Consumers are able to communicate and respond the messages of the brands that can affect strongly to consumers' purchasing decisions and how they experience brand. Consumer surveys are useful in order to examine the customer satisfaction and main elements of the brand equity. (Fournier & Avery 2011; Patterson 2012.)

Chang, Yu & Li (2015) have argued that social media marketing communication is efficient when considering three dimensions: argument quality, post popularity and attractiveness. This means, that useful and relevant posts are influencing customer needs and assist to receive positive comments. In order to strengthen the quality of content, marketers can use social media influencers to promote their brand and products by sharing the content created by influencers. (Chang et al. 2015.)

According to Ungerman & Myslivcova (2014), the main factors which are affecting communication in social media are quality of information, communication tools and content, and method providing information. The quality of information refers to clarity and truthfulness of the shared information. Communication tools were associated on

three variables: contests provided by company in social media, complaint processing in social media and obtaining information in social media. Companies need to take these communication factors into account in order to create fluent communication between company and consumers. These factors were primarily created to help small and medium-sized companies with their communication, but are still as usable for larger companies. (Ungerman & Myslivcova 2014.)

### 2.1.3 International social media marketing strategies and categories

Marketing strategy can be defined as "a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage." Because of the emerging popularity of social media, companies should have social media strategy as an essential part of their business. (Karimi & Naghibi 2015) The critical reason why companies need a strategy for social media is that social media is constantly changing. Social media strategy helps companies to understand where to focus and to where use the marketing resources. Schaffer (2013) presents the concept of PDCA which is useful framework for finding a suitable social media strategy.

| P - Plan | The social media strategy that will be created. |
|----------|------------------------------------------------|
| D- Do | The implementation of the strategy. |
| C- Check | Analyzing the key performance indicators and metrics of social media. |
| A -act | Based on the results of the step C, repeat the all steps. |

**Table 1**. PDCA framework (Schaffer 2013).

The idea of the PDCA is on repeating, because on social media it is impossible to operate at optimal performance because its eternal variation. That is why, achieving excellence in social media demands constantly planning, implementing, checking and optimizing. (Schaffer 2013.)

Lagrosen (2005) have studied marketing communication strategies of the different sized companies. The results show that small and medium-sized companies seems to focus on *personalized relationship communication strategies* while larger companies are likely to use mass *relationships communication strategy or mass transaction communication strategy* in social media. With personalized relationship communication strategy small and medium-sized companies are able to create limited amount of relations which are efficient and profitable. Using this kind of strategy, the presence at social media sites is very relevant. Presence enables the fluent communication between the company and the customers. Personalized relationship communication strategy provides profitability for company of each individual user. (Lagrosen 2005.)

International marketing strategies has been studied largely from two different approach: standardization and adoption. (Boddewyn, Soehl & Picard 1986; Zou & Cavusgil 2002; Hultman, Robson & Katsikeas 2009.) *Standardization* approach states that international companies should uniform their marketing actions and promote a global image of the company. (Leonidou, Katsikeas & Coudounaris 2010.) Advantages of this approach are related to achieving economies of scale by reducing costs and increasing global brand awareness, brand image and brand equity. (Alden, Steenkamp & Batra 1999.) *Adaption* approach argues the need for adoption of local needs and behaviors of each target market. The main advantage of this approach is increased competitiveness in the local markets. Berthon et al. (2012) emphasize the need of taking into account the characteristics of local markets in social media marketing. In recent years' advertisers have started to adopt standardized creative strategies which refers to maintaining a global image and still considering different needs of target countries (Ford, Mueller & Taylor 2011).

Companies should adapt their marketing strategies to foreign countries if company is small-sized, has unique products and has many national differences in the business environment. (O'Cass & Julian 2003; Calantone, Kim, Schimdt & Cavusgil 2006.) Also, companies have to adapt their branding, advertising and sales force to foreign countries if there is high volume of foreign competition and long transportation time to the foreign country. (Dow 2006.) Standardization is needed if there is high cross-national similarity in consumers' preferences, presence of global competitors and high potential for economies of scale in marketing. Both standardization and adoption demands long marketing experience and high international competence. (Lim, Acito & Rusetski 2006.)

Berthon, Pitt, Plangger & Shapiro (2012) have suggested five axioms for using social media in international marketing strategy. The first axiom argues that social media is a function of the technology, culture and government of a particular country. For example, the level of the technological advancement in the specific country can make some media more prominent compared to other countries. Also, cultural values and norms are determining the choice and popularity of social media. The popularity of social media in can be also depending on country's government, since there might be bans related to specific social media sites. For example, Facebook is highly popular in United States, but in China, the government has banned the access to this platform. That is why, companies can not follow standardized international marketing strategy when using social media. (Berthon et al. 2012.)

The second axiom argues that in social media, local events rarely remain local. Consumers all over the world are having access to every social media channels and are able to download and share content to other users. From international strategy perspective, even a small local irritation can turn out to be a major international disaster for the company. In the other hand, local success can provide an enormous international marketing opportunity. The third axiom is complementing the second axiom: General issues rarely remain general. This means that global effects are often expressed in local

level. For example, global issues such as global warming can be seen in different ways in different countries, depending how it is communicated. (Berthon et al. 2012.)

The fourth axiom is that "the actions and creations of creative consumers tend to be a function of a county's technology, culture and government" (Berthon et al. 2012.). This means that there are consumers all over the world who modify and adapt company's products. These creative consumers provide opportunities and growth to the company but also damages. International marketers should understand that consumers in some countries might modify offerings but in some other countries consumers are not acting the same.  Also, some products may be repurposed in different countries. The fifth axiom is related to the idea that technology is historically dependent.  It means that country's local technology can be function of local technological history, culture and government, which can be seen that people are using some specific social media platform that is available because they have access to it. (Berthon et al. 2012.)

In order to choose the right social media channel, companies need to consider their target group and preferences of this group. It is highly important, that the marketing message reaches the right target group and the message is well communicated. There are several options in branding for marketers, such as paid display advertising, publishing branded content or participating in social networks. (Tuten & Solomon 2013.) The timing and discussion are highly important in the social media marketing process because consumers use social media to build their social capital and social media provides them a possibility to communicate and achieve their social needs. (Ashley & Tuten 2015.)

Tuten and Solomon (2014) have divided social media in four zones: social community, social publishing, social commerce and social entertainment. The first category called *social community* includes social media networks where the main focus is on the relationships of its users by emphasizing the communication and conversation. Users are sharing their identity by sharing a picture and basic information of themselves. The second one is *social publishing* which refers to network where users are able to create

and share content to other users. *Social entertainment* networks allow users to share entertainment with others such as playing games. The last one is called *social commerce zone* which mean network where users are able to buy and sell things online. (Tuten & Solomon 2014:4.)
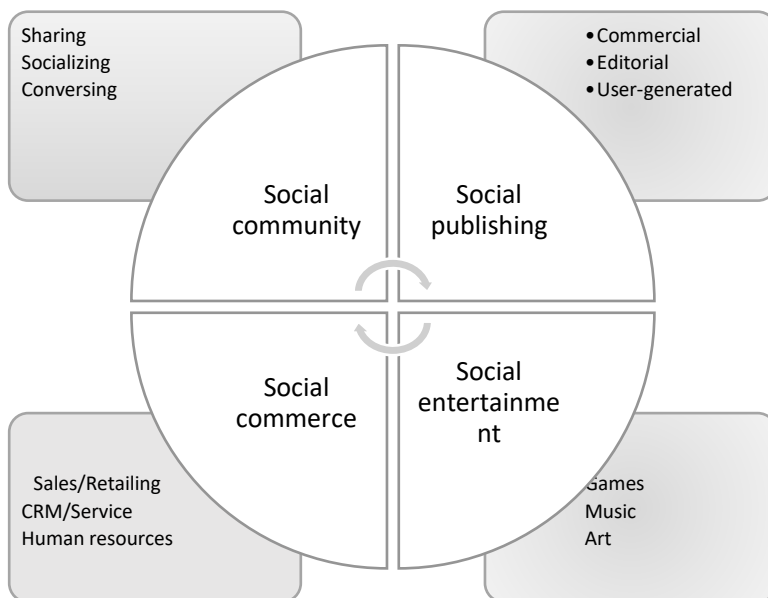


**Figure 2.** Social media zones (Tuten & Solomon 2014:4.)

Fraser and Dutta (2008) have suggested five categories of social media: egocentric sites, community sites, opportunistic sites, passion-centric sites and media-sharing sites. Egocentric sites refer to social media sites where user can create a profile of themselves and share personal information about themselves and their interests. Community sites replicate real-world communities where group can be formed around similar beliefs of users. Opportunistic sites are focusing to facilitate business connections. Passion-centric sites gather together users who have similar interests and hobbies. Last one is media sharing sites where users are able to create content and share it to other users. (Fraser & Dutta 2008.)

Kietzmann, Hermkens, McCarthy and Silvestre (2011) have introduced a honeycomb model that consist of seven functional blocks in social media: identity, conversations, sharing, presence, relationships, reputation and groups. These blocks allow to examine specific aspect of social media user experience and its implications for the companies. The first functional block *identity* refers to users who reveal their identities in social media. This can include personal information such as name, gender, age and location. User's identity can be shared consciously, but also unconsciously, by sharing feelings, thoughts and likes. (Kaplan & Haenlein 2010.) Identity is essential of many social media platforms and crucial for companies who need to develop their own social media sites and strategies. Though, users voluntarily share information about themselves on social media, they are still caring about their privacy. Therefore, there should be good balance between protecting the privacy and sharing the identities on social media. Ignoring the balance with these two factors might lead to lack of responsibility among social media users. (Kietzmann et al. 2011.)
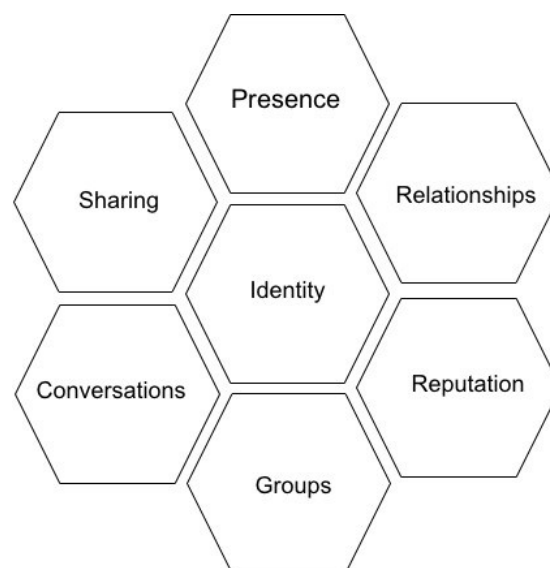


Figure 3. The honeycomb model. (Kietzmann et al. 2011.)

The second block is called *conversations*, which refers to users that communicate with other users in social media platforms. Users have several different reasons to communicate in social media such as finding new connections, building self-esteem,

making impact or making their voice heard. Differences in content of public conversations allows companies to monitor and examine conversations and implications of those. For example, how favorable or unfavorable conversation is towards a brand or on how many social media sites the same conversation is held. Also, companies are able to join the conversation and show that they are listening and care about their customers. However, there are both risks and benefits when joining social media conversation. Therefore, it is crucial for companies to recognize when to join the conversation and when it is better to opt out. (Kietzmann et al. 2011.)

*Sharing* represents the third block, which refers to users who spread content and receive it. Companies need to consider which objects in sociality users have in common so they can share their similar interests. Without common objects, sharing in social media is principally connections between people without anything that connects them together. In addition, companies need to consider which objects can be shared. For example, avoiding inappropriate content and following the terms of use. (Kietzmann et al. 2011.)

The fourth block is *presence* which refers to the information if the user is available or not. For example, in Facebook and LinkedIn, users are able to see who else is online on the same time. Also, presence includes knowing where other users are in social media or in the real life, and are they available. Companies need to pay attention to the user availability and their locations. For example, noticing when there is possibility to real-time interaction with social media users. Higher level of social presence affects to more influential conversations on social media. (Kietzmann et al. 2011.)

The *relationship* block refers to users that can be related to other users. This means that two or more users start interacting and share objects on social media. The social media platform determines which kind of relationships the user is able to have. For example, in LinkedIn relationships are formal and based on business network. However, on many other platform relationships are informal and can be based on mutual interests in their life.  For companies, different relationships between users in various platforms are useful

in order to spot social media influencers who usually have larger network on social media and are able to reach a lot of people with their social media content. (Kietzmann et al. 2011.)

The sixth block is *reputation* which refers to trustworthiness of users and their content. Reputation has important implications on how companies need effectively engage social media. Reputation can be measured for example by the number of the followers or likes. For companies, also the number of views on the posts might be suitable metric for measuring the reputation. After finding appropriate metrics for determining the reputation, company need to choose appropriate evaluation tool, such as rating system. With help of these metrics, company is able to see how many social media users reach them or mentions the name of the company or brand. (Kietzmann et al. 2011.)

The last functional block *groups* mean users who can form communities. Groups can be formed by individuals who search members from their contact lists. Also, group can be already existing and open for everyone or closed with requirement of invitation. Groups vary on how they allow members to share content inside the group and outside of it. Usually, groups have their own membership rules and practices which affects largely to the content of the conversation in the group. (Kietzmann et al. 2011)

Using this kind of model to understand the social media and its users is highly important for companies. Companies are able to use these functional blocks as an asset to understand their customers and gather competitive intelligence to their business actions of social media platforms. By creating a social media strategy, companies can determine which blocks are the most important to them and which activities they should monitor and investigate more thoroughly. (Kietzmann et al. 2011)

In the implementation of successful international social media strategy have consider at least these three shifts: Understanding the technology that supports social media and creative consumers, understand the consumer, and understand the social media. Firstly,

the successful implementation in the company requires IT- and communication skills of employees. Company should allow their own employees to use social media tools at work. Secondly, it is highly important to listen consumers and learn from them. Marketers need to take a personal level when approaching consumers and also take cultural aspects into account. At the same time, social media strategy has to be flexible and actions need to be quick. However, from international point of view, the bureaucracy can slow down the successful implementation. In addition, marketers need to consider that the access of specific social media platforms can be harder in some countries or completely prohibited. (Berthon et al. 2012.)

### 2.1.4   Social media marketing in international SMEs

International small and medium-sized companies face several challenges in marketing activities compared to large and multinational organizations. That can be explained by lower resources, lack of knowledge, and less known brand. Therefore, it might be difficult to compete effectively in the market with globally known brands. That is why, social media capabilities can become extremely crucial especially for international SMEs. Because international SMEs may not be able to compete with money and well-known brand, they need to provide new solutions and innovative marketing content on social media. (Braojos-Gomez et al. 2015.) However, in order to have effective social media communication companies should consider carefully their target audience, promotional objectives, positioning and market place. (Pickton & Broderick 2001:410.)

Weber (2009) argues that social media marketing can be even more effective for small companies than large ones. SMEs are able to establish brand and raising awareness against it. Today, consumers are likely to engage emotionally with brands and form communities around brands. Also, consumers more curious to search companies from social media which provide new insights rather than only search products or services to buy. Therefore, SMEs have a great opportunity increase their brand awareness and engage with consumers who are constantly searching new and innovative brands to follow. Social media have encouraged companies to take more risks and invest to new

innovations to improve their brand image, satisfy customers and get feedback directly from the customers. The use of social media marketing in SMEs has been studied to influence positively to organizations' performance by reducing costs, improving relationships with customers and enhancing the flow of information. (Parveen, Jafaar & Ainin 2016; Jones 2010)

According to Jones (2010) social media has an essential role of executing marketing in international SMEs. Social media provides a relevant and effective communication channel by enabling two-sided interaction, commenting, gathering feedback and involving consumers to develop products and services. Usually, international SMEs use social media marketing in order to promote their business offerings, increase international network and build relationships, build brand, reach new markets and opportunities, create value and gather feedback rapidly from consumers. (Jones 2010.)

Today, social media can be seen an efficient communication tool for organizations (Parveen et al. 2016) In order to communicate efficiently, Ungerman & Myslicova (2014) have proposed a communication model for small and medium-sized companies for social media environment. The model is based on continuous circulation of information. The basis of this communication model comes from building a relationship between the company and customer. The first part of the model is the selection of social media type. In this part, company need to choose one or more types of social media which it wants to utilize.
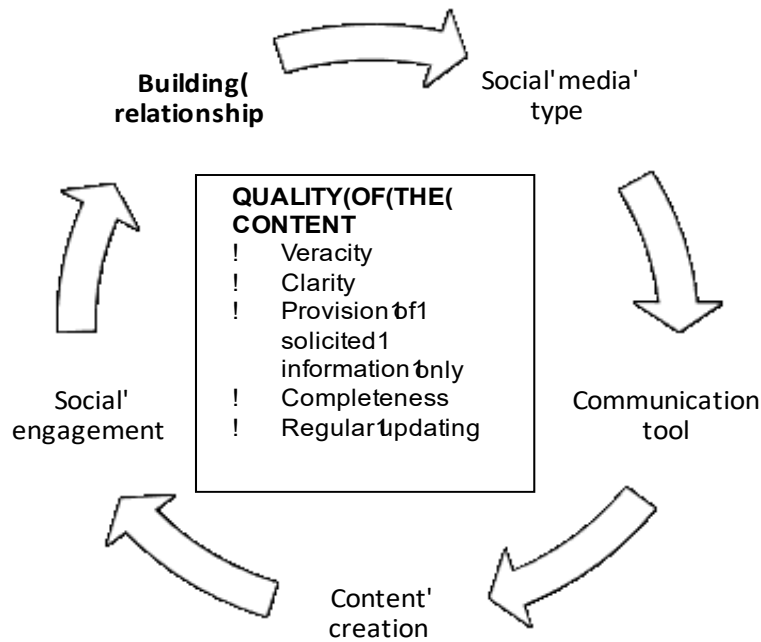
**Figure 4**. Social media communication model for small and medium-sized companies (Ungerman & Myslicova 2014).

The second part is the selection of communication tool. Users of social media mostly prefer new communication forms such as viral-, buzz-, mobile- and engagement marketing. That is why, company need to pay attention which tools are most favored by consumers.  After choosing most suitable communication tools, company need to create the content.  In this part, it is highly important to focus on the quality of the content. Content quality consist of information completeness, clarity, veracity, provision of solicited information only and regular updating. The last part of the communication model is social engagement. The most essential areas of social engagement are culture, ethics, sport and ecology. Even social engagement is the last part of the model, the process does not end there because the model does not have specified end or beginning. (Ungerman & Myslicova 2014.)

Braojos-Gomez, Benitez-Amado & Llorens-Montes (2015) suggest that SMEs are able to develop their social media competence by IT infrastructure capability, marketing management, innovation management and social competitor pressure. IT infrastructure

is one of the key mechanism of developing social media competence because it provides the foundation to use social media. Marketing management and innovation management are important key capabilities because more innovative companies adopt earlier social media and are self-motivated to use ideas from social media users on product and service improvements. Finally, social competitor pressure forces small companies to develop their social media competencies before their competitors does and gain competitive advantage of it. (Braojos-Gomez et al. 2015.)

## 2.2   Defining brands

A brand identifies the seller of the product and can differentiate the product from other alike and generic products. Products which have a strong brand can be crucial for manufacturers in order to maintain their market power. In addition, a brand promises the quality of the product to the consumer and therefore, helps buyers in their purchasing decisions. If consumer recognize the brand and have some knowledge about it, the data processing and investigation of the product is not necessary in the purchase decision. Therefore, the decision making becomes easier and faster. Also, most of the people do not want to use time and effort to analyze different products on their everyday purchases.  That is why, building a strong and well-known brand is highly important to marketers. (Steenkamp 2017; Keller 2013: 31.)

In order to differentiate the product from another product it is important to develop "a deep set of positive associations". The product should promote characteristic attributes and benefits to the customer. For example, high quality of the product and other emotional and functional benefits interest customers and helps maintaining them. (Kotler 2000: 404-405.)

When developing and placing brands across national borders, international market segmentation plays key role. Companies need to find potential customers at the international level and achieve an appropriate positioning across borders. (Papadopoulos & Martin 2013.) The main challenge for companies is to deal with

different customers' needs and wants, and target segments in various countries. There are two international segmentation approaches that companies can use in order to develop their brand internationally: geographical and consumer-based segmentation. (Steenkamp & Ter Hofstede 2002.)

Geographical segmentation refers to dividing markets on the basis on geography such as by cities, countries or regions. (Ter Hofstede, Wedel & Steenkamp 2002.) The most developed countries have quite small land mass, so the geographical segmentation is easier to set into action. Therefore, the focus should be more on the large geographical entities which have large emerging markets. However, there is huge property differences between various parts of countries. That is why, companies may have to restrict a specific geographical segment for example focusing on large cities. (Steenkamp 2014.)

Consumer-based segmentation means grouping consumers from different countries who have more or less similar needs and desires. These segments consist of consumers who are likely to show similar interest towards marketing efforts, because of their age, gender, interests or spending habits. (Steenkamp & Ter Hofstede 2002.) Segmentation can be based for example on product attributes or consumer's emotional benefits of the product (Steenkamp 2014).

### 2.2.1 Global brands

Global brands have been defined several different ways. Firstly, global brand can be seen as a brand that use similar name, marketing mixes, strategies and positioning in most of their target markets. (Yip & Hult 2012.) Second definition is from consumer perspective and refers to brand that is available in numerous regions (Strizhakova, Coulter & Price 2008). The third definition on global brand is related to international sales. The brand is global when it is known outside its home country and at least one-third of its sales comes from other countries. (Steenkamp 2014.) All in all, the definition of global brand is not totally clear and it is open to interpretation. However, Özsomer, Batra & Chattopadhyay (2012) have proposed a definition which combine most of the previously mentioned

definitions. They propose that global brand is "a brand that uses the same name and logo, has awareness, availability, and acceptance in multiple regions of the world, derives at least 5 percent; of its sales from outside the home region, and is managed in an internationally coordinated manner." (Özsomer et al. 2012.)

Most global brands prefer the same brand name in different countries because then the brand is easier to be recognized. However, there can be challenges of using same brand name all over the world. Challenges are related to different language systems which varies between western languages and Eastern Asian languages. (Steenkamp 2014.) Companies have several options how to deal with this. For example, they can use transliteration or translation. Transliteration means that they retain the sound of the global brand name by choosing other brand name that sounds like the original one. Translation means that they translate the original brand name to target market's language. Also, there is possibility to create a whole new brand name both in pronunciation and meaning. (Francis, Lam & Walls 2002.)

Global brands can be divided into four brand types: premium brands, prestige brands, value brands and fun brands (Steenkamp 2014). Premium brands are high-priced brands with high quality. Consumers who prefer premium brands are willing to spend a lot of money in return for functional high quality. (Zeithaml 1988.) Prestige brands are also high priced but the primary reason to buy this kind of brand's products is based on emotional benefits. Value brands are aiming to provide the best value possible with fair price. Finally, fun brands are focusing on emotional benefits but providing a lower price compared to prestige brands. (Steenkamp 2014.)

There are four types of value sources that a global brand can achieve: consumer-, economic-, marketing- and organizational value. From consumers' point of view, global availability and recognition of the brand are issues that often signals high quality of the brand. Global image of the brand increases its perceived quality and brand name acts as key indicator of the quality. (Erdem, Swait & Valenzuela 2006.) In addition, consumers may prefer global brand because of its status. The status of the brand can be related to its rarity or the larger price compared to brands which are not operating globally. Also,

global brands can associate their brand with celebrities, influencers and large global events which can raise the status in the eyes of consumers. (Steenkamp 2014.) Consumers may also prefer global brand because of its possible associations with cultures and myths. Consumption of global brands gives opportunity to feel of belonging on the global world or some specific culture. (Strizhakova, Coulter & Price 2011)

Global brands can reduce their costs because of economies of scale in production and R&D. Global brands usually focus on few core products of the brand when it is easier to develop higher quality products with use of less resources. (Yip & Hult 2012) By focusing on economic sources global brand is able to increase global market share and profitability. (Zou & Cavusgil 2002.)

By using same marketing campaigns across countries brands are able to save costs and time. Sharing marketing resources across countries allows higher quality of marketing campaigns. Therefore, companies that use standardization in their marketing campaigns are generating value to their brand by being able to reach larger global market share and profitability. (Zou & Cavusgil 2002; Steenkamp 2014.)

Organizational sources for creating global brand value can be underestimated by marketers because those are intangible. Firstly, the global brand gives an identity to the company by belonging in one global company with its own culture. Also, bringing new products to the markets gets easier under the same global brand name. (Steenkamp 2014.)

## 2.2.2 Branding in international SMEs

There is a significant gap in the literature regarding to branding on international small- and medium-sized companies compared to large companies. Therefore, the evidence between SMEs branding actions and its performance is quite rare. However, branding is an essential corporate activity to ensure growth for small companies. The process of building and managing brands is different in SMEs than in large ones. (Walsh & Lipinski 2009.) For example, in small companies the organizational structure is less formal and

resources are limited. Also, in small companies there might be lack of knowledge and experience of branding. Therefore, most of the branding plans are inappropriate for them since those are mainly made for large companies. (Odoom, Narteh & Boateng 2017; Reijonen, Laukkanen, Komppula & Tuominen 2012.)

Branding capability refers to company's ability to design products and services with high-performance, establish beneficial collaborations with stakeholders and ability to communicate the brand cost-effectively (Altsuler & Tarnovskaya 2010). It has also been described as identifying brand meaning, communicating consistently and getting people to support the brand. (Merrilees, Rundle-Thiele & Lye 2011.) Branding capabilities can be divided on internal and external branding capabilities. Internal branding capabilities refer to branding efforts which allow developing unique products and innovations. For international SMEs, internal branding capabilities can enhance ability to respond different market signals more efficiently, faster and cheaper than competitors. Also, the use of trademarks and patents assist especially SMEs in their branding process because competitors are not allowed to copy their ideas. (Odoom, Agbemabiese, Anning-Dorson & Mensah 2017; Garcia, Castillo & Durán 2012.)

However, these internal branding capabilities can not alone guarantee the performance of branding in international SMEs. The performance value is enhanced with external capabilities, which refers to relations with customers, suppliers and other companies. In other words, international SMEs can increase their external capabilities by networking and international building relationships. With combining internal and external branding capabilities, SMEs are able to achieve higher performance. (Odoom et al. 2017; Soh 2003.)

### 2.2.3 Brand equity

Brand equity have reached a lot of attention during the past few decades and has become one of the major intangible asset of the companies. Brand equity has been studied broadly and it has diverse definitions from different researchers. Firstly, brand

equity can be divided on three different perspectives: customer perspective, financial perspective and employee perspective. (Farjam & Hongyi 2015.)

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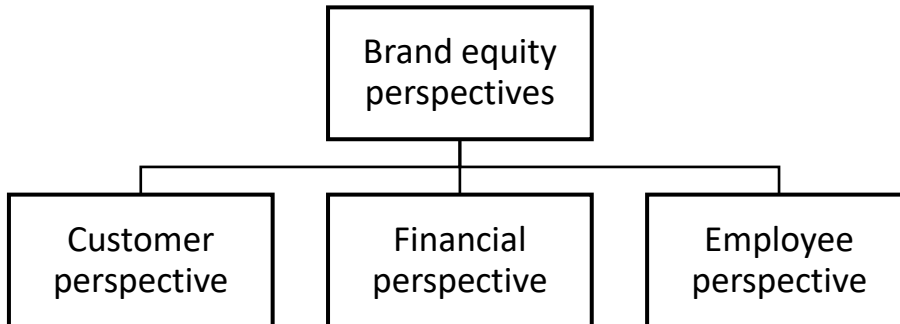
**Figure 5**. Brand equity perspectives. (Farjam & Hongyi 2015.)

David Aaker (1991) was the fundamental introducer of the concept of brand equity. He defines brand equity as a "Set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/ or to that firm's customers". According to Aaker (1991) the equity of a brand depends on the number of the consumers who buy often products from the specific brand.

Also, Kevin Lane Keller (1993;2003) have researched brand management closely from consumers' point of view, and has introduced the concept of customer-based brand equity. Keller defines brand equity as "The differential effect of the brand knowledge on consumer response to the marketing of the brand." Customer based brand equity occurs when consumer is familiar with the brand and can make positive and strong associations related to the brand. Both Keller and Aaker have defined brand equity from the *customer perspective.*

According to Simon and Sullivan (1993) brand equity is "The incremental cash flows which accrue to branded products over and above the cash flows which would result from the sale of unbranded products". Atligan, Aksoy & Akinci (2005) define brand equity as the "Total value of a brand which is a separable asset – when it is sold or included in

a balance sheet". These definitions are supporting the *financial perspective* of brand equity.

Employee-based brand equity is defined from the *employee perspective* and refers to employee's response to the work environment and culture. There are three dimensions that are related on employee-based brand equity: brand knowledge, role clarity and brand commitment. These dimensions reflect how employee experience the company, understand the objectives of it and endorse its values to the customers. (King and Grace 2009.)

Some researches have proposed that "Brand equity is the incremental contribution per year obtained by the brand in comparison to the underlying product with no brand-building efforts" (Srinivasan, Park & Chang 2005). Another definition proposes that brand equity refers to consumers' different response between well-known and unknown product which have similar marketing efforts. (Yoo & Donthu 2001.) It can be also simply defined as the value of the brand (Farquhar 1989).

Brand equity refers to the value, that comes from consumer perception of the brand name and experiences with the brand. The value is determined through customer experience and it can be either positive or negative. Positive brand equity assists companies to gain competitive advantage and brings higher profit margin. Building brand equity is a cost-effective way and therefore offers business growth to the company. (Budac & Baltador 2013.)

One of the most useful approaches on brand equity is built on four dimensions: brand awareness, brand association, perceived quality and brand loyalty. (Aaker 1991; Oliveira, Silveira & Luce 2015.) Aaker have also added the fifth dimension to his brand equity model, which are other proprietary brands assets such as channel relationships, trademarks and patents. Keller (1993) divides brand equity on two components, brand awareness and brand image, which are focusing on brand knowledge. Another approach

to brand equity is to share it to five consumer-related dimensions: perceived quality, brand loyalty, brand associations, brand awareness and brand trust. (Atilgan, Akinci, Aksoy & Kaynak 2009.)
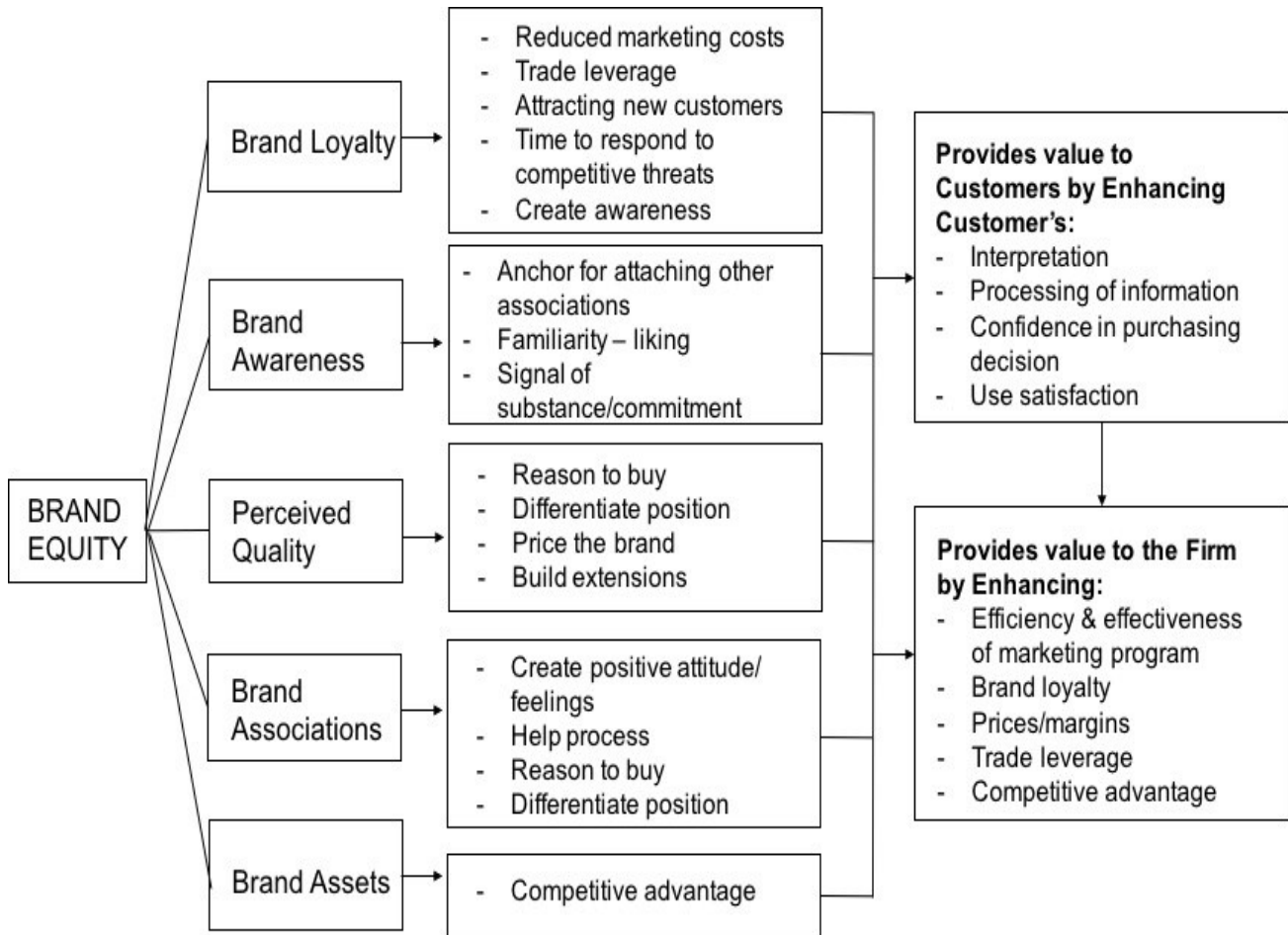


**Figure 6.** Aaker's (1991) Customer-based brand equity model.

Brand loyalty can be seen one of the most important components of brand equity because loyal customers are extremely crucial for companies. The degree of consumers' brand loyalty reflects to the value of the brand. Brands are likely to have loyal customers because those are profitable to them. Brand loyalty can be seen in a situation where consumer choose a specific brand over the other brands, based on earlier experiences with the brand. (Wood 2000; Zahoor & Qureshi 2017.)

Brand awareness is essential element of brand equity and it refers to ability of the consumer to identify the brand in different circumstances which affects to the strength of the brand. It is based on two different levels: brand recognition and recall. Brand recognition demands that consumer have seen or heard of the certain brand previously. The recall can influence to the choice of which brands get selected. Consumers are likely to buy a product from the brand they are familiar with that enhances the sales and profitability of the company. (Aaker 1991; Keller 1993; Baldauf, Cravens & Binder 2003.)

Perceived quality can be defined as consumer's judgement about the "excellence" of the product (Zeithaml 1988). It has a strategic effect on brand equity because it reduces perceived risk. In addition, it offers a price advantage for companies and creates a basis for brand differentiation. If the perceived quality is high, consumer is more likely to buy products for the specific brand. Perceived quality assist brand to stand out from the competitive brands by using differentiation. (Aaker 1991; Keller 1993.)

Brand associations, also known as brand image, is the general impression on consumers' mind when they hear or see the name of the brand. Brand image influences consumer purchase decisions and their desires to buy products from the certain brand. In addition, brand image has a direct effect on brand equity.  Since brand image can be developed and improved also consumers' associations regarding brand can change. (Keller 1993; Faircloth, Capella & Alford 2001.)

According to Keller (1993) brand association is divided into three major categories: attributes, benefits and attitudes. Brand association refers to the idea of what the company wants the brand to be in the customer's mind. Every contact that consumer have with the brand, can change existing associations or create new ones. Brand associations can be for example linked to the brand name or comparative price.  In order to get positive associations which effect on brand equity, the brand have to be unique and favorable.  (Aaker 1991; Keller 2003.)

Brand assets refers to trademarks, patents and channel relationships which can provide competitive advantage for the company. With trademark, company can protect their brand from competitors who might copy their brand's symbol, name or package. By using patent, companies are able to prevent direct competition. Lastly, distribution channel can control the availability of the brand. (Aaker 1991)

Brand trust is important component in brand equity framework because it expresses the nature of relationship between consumer and brand. Brand trust shows that consumer sees the brand as reliable and unfailing. In order to built long-term relationships with customers and business partners the trust becomes as crucial keystone. (Chaudhuri & Holbrook 2001; Belaid and Behi 2011.)

Keller's customer-based brand equity theory aims to clarify what customers think and how they feel about the product or service relying on positive experience. In the Keller´s model, there are six elements which are essential on brand equity building: brand salience, brand performance and imagery, brand judgements and feelings, and brand resonance. (Keller 1993;2003.)
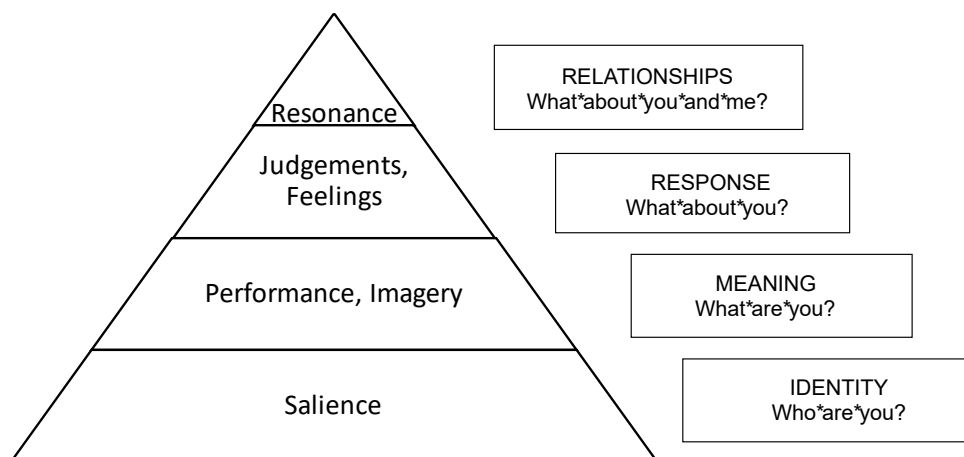


**Figure 7**. Keller's customer-based brand equity pyramid (2003).

The first stage *salience* refers to brand identity and awareness of the brand. It is important to ensure the accurate identity to the brand in order to create associations in customers' minds related to certain need or product. Brand salience represents

awareness of the brand and the situations when the brand comes to consumer's mind. In the second stage, there are brand *performance and imagery*. These points to the meaning of the brand and tangible and intangible associations which comes to consumers' mind of certain brand. The third step is response which refers to *judgements and feelings* towards brand based on associations identified of the brand. The highest stage is brand relationships which indicates to *resonance* of the relationships between brand and customers. Vital elements of these relationships are loyalty, attachment, sense of community and engagement. (Keller 1993:2003.)

Brand equity can create value for both consumer and the company. For consumer's point of view, brand associations and perceived quality can increase customer satisfaction and also help consumers to interpret information and make purchasing decisions. For companies, brand equity can enhance consumer loyalty, increase cash flow, allow premium pricing, provide leverage in the distribution channels and deliver competitive advantage. (Aaker 1991.)

## 2.3 Theoretical framework

This chapter presents the theoretical framework of this thesis. Theoretical framework shows the primary goal of this thesis which was to examine *how* and *why* international SMEs should utilize social media marketing in order to built their brand equity. The two major theories of the thesis are social media marketing and brand equity which are forming the framework for theory. By explaining, *how* international SMEs can utilize social media marketing, the thesis provides an overlook to social media marketing strategies which include choose target audience and social media platforms, creating content and also planning which models and features are most important to the company. The main goal is to provide suitable proposals for small and medium-sized international companies that they can use building greater brand equity.

The *figure 8* presents the theoretical framework of the thesis.  It shows the main elements related to topic and clarifies the main purpose of the study. The theory related

to social media gathers together the social media marketing communication, strategies and categories. Since the objective of the study is to examine why social media marketing is important for international SMEs and how international SMEs are able to build brand equity by using social media marketing, the figure aims to clarify the answers to these questions. Theory answers to question *why*, with highlighting the importance of social media marketing in brand equity building and explaining the benefits especially for the international SMEs.

| Social media marketing in international SMEs |
|---|

⬇

| Cost-effectiveness | Real time interaction | Easiness | Large international reach | New customers & markets |
|---|---|---|---|---|

⬇

| **Social media marketing strategy** | | | | |
|---|---|---|---|---|
| **Target audience** Adoption vs. Standardization<br><br>Personalized vs. mass communication<br><br>Technology, culture & government of target country | **Channels** Instagram Facebook Youtube<br><br>Active presence in various SM channels | **PDCA model** Plan, Do, Check, Act<br><br>Constant planning, checking implementing and optimizing | **Content** Clarity, Truthfulness, Attractiveness, Regular updating, Consumer participation | **Key features** User-generated content, Firm-generated content, Customer engagement, Online brand communities, eWOM |

⬇

| **Brand equity** Brand loyalty Brand awareness Brand associations/image Perceived quality Brand assets |
|---|

**Figure 8**. Theoretical framework.

The first part of the theory focused to introduce the concept of social media and social media marketing. Based on academic literature, social media marketing is highly useful for international SMEs because of its cost-effectiveness, real time interaction with customers, easiness, large international reach and possibility gain new customers and access to new markets. Because of the great marketing potential of social media, it can

provide a strategic significance to companies. (Pentina & Koh 2012; Karamian et al. 2015; Karimi & Naghibi 2015.)

In order to build brand equity with social media marketing, international SMEs should have social media strategy. Because of the emerging popularity and constantly changing nature of social media, creating SM strategy is highly necessary. (Karimi & Naghibi 2015.) The main factors which need to be considered are clarifying target audience, choosing the most effective social media channels, creating content and action plan, and understanding social media key features. Especially international SMEs should consider their target audience carefully, in order to target their marketing messages to right audience and avoid using excessive resources. Adoption and standardization are approaches that international SMEs need to take into account in their social marketing. By understanding local needs and behaviors of each target country is highly important especially for international SMEs in order to increase customer engagement. (Zou & Cavusgil 2002; Hultman et al. 2009; Schaffer 2013.)

Based on the theory, the most popular social media platforms are Instagram, Facebook and Youtube. (Emarketer 2018.) This means that most of the users of social media are using these platforms by actively participating and creating content. Still, companies need to examine what are the most effective channels for them by understanding the customers' preferences in their target markets. Active interaction in social media between brand and consumer can be seen very important and essential part of building brand equity. Based on theory, content in social media channels need to be clear, attractive and truthful. Also, content creation needs to be done regularly and it has to allow active consumer participation (Ungerman & Myslicova 2014.)

Due to ever-changing and emerging nature of social media, Schaffer (2013) has proposed a Plan, Do, Check, Act- model (PDCA) for companies to help with their social media strategies. International SMEs need to understands that social media marketing

demands constant planning, checking implementing and optimizing in order to get real benefits from it and survive in international markets.

Zahoor & Qureshi (2017) have introduced social media key features which are *user-generated content, firm-generated content, customer engagement, online brand communities and eWOM.* (Zahoor & Qureshi 2017.) These social media marketing features are essential part of the study because the aim is to clarify the most suitable social media marketing activities for international SMEs.

Based on theory, *user-generated content* is more trustworthy compared to firm-generated content because consumers are likely to trust more to other consumers than marketers. (Mudamdi & Schuff 2010; MacKinnon 2012.)  Also, it has been studied that user-generated content has a positive impact to brand attitude and brand equity by increasing the customer satisfaction and loyalty. (Sashi 2012.) However, *firm-generated content* is essential part of social media marketing because it focuses to maintain customer relationships and managing brands. Therefore, the content made by the firm need to be clear and attractive. Consumers need and desires have to be considered carefully on the firm-generated content. (Zahoor & Qureshi; Schvinski & Dabrowski 2014.)

Because consumers are trusting to other consumers' opinions more than marketers' opinions, also the role of *electronical Word-of-Mouth (eWOM*) becomes highly important. Social media platforms are allowing consumers to discuss with other people and share opinions, also with unknown people. That is why, the conversation of the company or brand on social media can spread quickly and widely. (Zahoor & Qureshi 2017.) Especially for international SMEs the impact to the brand by using eWOM is larger compared to normal advertising. eWOM influences positively to brand awareness, brand loyalty and perceived quality. (Alam & Khan 2015.)  However, even if the eWOM can have a large positive impact to the brand, it can be also very harmful if the conversation of the brand is negative.  (Mayzlin 2006.)

*An online brand communities* are also based on the same idea than eWOM that consumers are sharing ideas to each other. Especially for international companies, online brand communities are beneficial because these communities normally consist of consumers that admire the brand and can be located all over the world, because of its non-geographical nature. (Abrahamsen & Morgan-Thomas 2015.)

*Customer engagement* is related to all previously mentioned key features of the social media marketing. Customer engagement is crucial when companies need to have competitive advantage among competitors. Companies should focus on listening and understanding customers by enabling two-sided and real time interaction with them. With engaged customers, companies are able to increase brand awareness and brand image. (Zailskaite-Jakste & Kuvykaite 2013.)

The second part of the theory focused on brands. Branding and brand equity are essential parts of this theory because strong brand can provide growth for international SMEs and possibility to stand out from the competitors in foreign markets. The concept of brand equity can be found from the framework and it is examined mainly through Aaker's (1991) brand equity model that includes brand loyalty, brand awareness, perceived quality, brand associations and brand assets. In the theory part, features of brand equity were explained and later these will be combined with social media marketing by using the answers from the interviews of the case companies. Brand equity provides value both for the company and the customer, therefore it can be examined from the customer perspective, financial perspective and employee perspective. The findings of the thesis are based mainly on customer perspective of brand equity. (Farjam & Hongyi 2015.)

Finally, academic literature proved that there is several reason why social media marketing can be crucial especially for international SMEs. Also, theoretical part suggested that with effective social media strategy international SMEs are able to build

their brand equity. However, the final conclusions of the study will be provided after the empirical part where results of the theory and interviews combined in to clear and coherent conclusions. The conclusions will show, how social media marketing can be used beneficially in international SMEs in order to build brand equity and why it is important for especially international SMEs.

# 3   Research methodology

This chapter present and justifies the research methods used in this thesis. Research design, data collection and analysis, and validity and reliability of the study are the essential elements of this chapter. Research design is examined with the 'research onion' model, that will assist to understand the structure of empirical research better and justifies the choice of the specific research method. Data is collected by using primary and secondary data which are explained further in this chapter. Also, in this chapter the way how the data is analyzed is explained. The validity and reliability of the study are important features of the research so these are justified meticulously further. Finally, in the end of this chapter the case companies will be introduced to the reader.

## 3.1   Research design

Research design refers to general plan of how to answer to the research question. It need to contain clear objectives of the study which are related to research question, but also sources where data is collected and possible constraints should be considered. All in all, the justification of research design should be based on objectives and the research question. (Saunders, Lewis & Thornhill 2007: 131.) In order to formulate the research design, this thesis uses model called *research 'onion'* that is commonly used in business research. *Research onion* model consist of six layers: *research philosophies and approaches, strategies, methodological choices, time horizon, data collection and - analysis.* (Saunders et al. 2007: 132.)

*Research philosophy* refers to the development of knowledge related to this research. The idea is to answer a specific problem and same time develop new knowledge. The adopted research philosophy contains vital assumptions of the writer of this thesis which are underpinning the research methods and strategy. The most used and suitable philosophies for business research are positivism, realism and interpretivism. This thesis use interpretivism as research philosophy because it focuses the role of humans as social actors. In this study humans are an instrument of data collection and the answers

depends on their opinions and how they interpret question. Also, because aim of this study is to figure out how SMM is influencing to brand equity, it is obvious that the importance of humans' opinions about brands gets essential. Brand awareness, brand associations, brand assets, brand loyalty and perceived quality are based on consumers' relationships with brands. (Saunders et al. 2007: 102-110.)

Mostly, the *research approach* is either inductive or deductive. Inductive approach to the research consist of flexible structure and emphasizes deep understanding of the research context with use of qualitative data.  While deductive approach is highly structured approach which emphasizes scientific principles and collection of quantitative data. This thesis uses inductive approach because the aim is to create knowledge about social media marketing possibilities for international SMEs and how social media can be used in order to build brand equity by using existing theories and interviews. Because of the less structured nature of inductive approach it might reveal alternative explanations which are beneficial for the findings of the research. (Saunders. et al 2009: 117-120.) The choice of research approach is important because it enables researcher to take more informed decisions about research design and it will assist to think research strategies and choices that are most suitable for the specific topic. Also, it allows to adapt the research design to consider for constraints. (Easterby-Smith, Thorpe and Lowe 2002.)

*The research purpose* can be classified as exploratory, descriptive or explanatory. (Saunders et al 2007:133). However, there can be more than just one purpose in the research and the purpose can change over time. This thesis is combination of exploratory and explanatory studies.  An exploratory study aims to seek new insights, to ask questions and to evaluate phenomena from a new perspective. (Robson 2002:59.) It is useful when the purpose is to expand and clarify the knowledge about specific problem. Exploratory study can be conducted by searching the literature, interviewing experts in the subject and focusing group interviews. In this thesis, the aim is to evaluate social media marketing and its influence to brand equity from perspective of international small and medium-sized companies by using both literature and interviews. Therefore,

this thesis has an exploratory purpose. In the other hand, explanatory study demonstrates the causal relationships between variables. In this thesis, relationship between social media marketing and brand equity is established by collecting data to explain the reasons why SMM is beneficial and *how* it can be used in order to build brand equity. Therefore, the explanatory perspective of this thesis is also demonstrated. (Saunders et al. 2007: 133-134.)

By choosing a *research strategy* need to consider whether it will support the objectives and research question of the study. Common research strategies related to business studies are experiment, survey, case study, action research, grounded theory, ethnography and archival research. (Saunders et al. 2007: 135.) This study is a case study, which can be explained as" A strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence" (Robson 2002:178). The case study enables the possibility to answer the questions 'why?' 'what' and 'how?' In this study, the purpose is to answer the research question *How can international SMEs utilize social media in order to build their brand equity?* Supporting questions are for example *why* international SMEs should use social media marketing, *why* SMM is important in order to built brand equity, *what* actions SMEs should make in social media? Overall, the phenomenon of this study is current and modern, and study is conducted by using numerous relevant sources. The case study can be presented as single case or multiple case. This study is multiple case because the interviews are conducted with more than one company. With multiple case study, is possible to have more extensive view of the phenomenon because it enables comparing the answers and forming coherent entirety based on multiple perspectives. (Saunders et al. 2007: 139-140.)

The selection of right *methodological choice* will help to understand the topic in a deeper level and gives new perspectives to the research. The qualitative method is the most fitting to this topic, in order to gain deeper understanding of social media marketing and its connection to brand equity in international SMEs. The aim is to gain more authenticity

perspective, rather than large sample size. With qualitative method it is possible to get answers to the question "why?" and "how?". Also, this methodology provides possibility to gain deeper understanding of people's experiences and opinions by using interviews. People have different assumptions and experiences of brands and the use of social media vary, so the interviews are useful in order to have different point of views to the topic. The study will be conducted with semi-structured interviews with support of the research question and objectives of the study which will be the guidelines of the interviews. As has been established in the previous chapters, there is several theories and researchers about this topic, yet only few of them are focusing to small and medium-sized international companies. Therefore, in order to get better understanding of the target group, a qualitative method fits better than quantitative method.

*Time horizon* of the research can be seen either cross-sectional or longitudinal. Cross-sectional refers to study of a specific phenomenon at specific time. In turn, longitudinal is conducted with long time period and developed during the time. (Saunders et al. 2007:148.) This study is cross-sectional study because there is time limit concerning to Master's thesis, so the process need to execute in certain time period. Also, because the case study of this thesis is based on interviews, those have been conducted over a short time period.

## 3.2  Data collection and analysis

The research data can be divided on secondary and primary data. Secondary data refers to data that have been already collected by some other person and it can be collected for different purposes. Secondary data can be shared on documentary data (reports, books, newspapers and articles), survey-based data (collected using a survey strategy), and multiple source data (combination of documentary and survey-based data). This thesis is focusing on documentary secondary data. There are advantages and disadvantages related on use of secondary data. Firstly, using secondary data demands usually less resources because the data is already collected by someone else. Also, it is useful to compare own findings to the already existing data of the same context. In

addition, reanalyzing secondary data can lead to new discoveries and give new perspectives. In the other hand, secondary data can be originally collected for another purposes and therefore might not be suitable for another researches. Furthermore, the quality of secondary data is not always guaranteed. That is why, every source of data must be evaluated carefully. (Saunders et al. 2007:246-262; Robson 2002.)

The primary data refers to data, which is originally collected by the researcher of the study. The advantage of primary data compared to secondary data is that the primary data completely fits to the purpose of the research and answers to the research question. A good example of primary data collection are qualitative interviews, which allows interviewees communicate directly with the researcher. By using interviews as primary data, researcher is able to plan the questions in order that those are answering directly to research question and objectives. However, collecting primary data demands a lot of time and depends on the willingness of the respondents. The intense role of researcher related to primary data collection such interviews, and lack of control over researcher's activities, brings out issues about reliability and validity. Therefore, it is important to gather valid knowledge about the interviewee, familiarize carefully with the material and make clear notes during the data collection process. (Saunders et al. 2007: 246-262; Hox & Boeije 2005.)

In this thesis, data collection is conducted by using primary data such as interviews of the case companies and observations of the writer, and also by secondary data such as case companies' websites and social media sites but also previous academic studies related to the topic. The quality of primary and secondary data is guaranteed by using trustworthy information sources which have been peer reviewed by others, recording the interviews and familiarizing with the research topic carefully. Also, sources used in this research are relevant to research question and objectives of this thesis.

Interviews can be classified as structured, semi-structured or unstructured interviews. The data collection of this thesis was done through four semi-structured interviews

because it is the most suitable interview to this case study. It refers to non-standardized interview, which means that the researcher has a list of questions but these may vary a little depending on respondent. This means that questions may vary during the interview depending on the flow of the conversation. However, the main framework is same to every respondent but there might be some additional questions or answers. (Saunders et al. 2007: 312.)

The choice of semi-structured interview for this study can be explained as it is more flexible and allows more conversation between the participants compared to structured interview. Unstructured interview would be too informal to this context because answers of the respondents have to be comparative to each other. In the semi-structured interview, interviewee have possibility to answer more flexible to the questions and interviewer is able to ask additional in-depth questions based on the answers of the interviewee. (Saunders et al. 2007: 312.) The interviews of this study are conducted with founders or employees of international small and medium-sized companies who are in involved in social media marketing actions of the company.

The all participating case companies are directly marketing and selling products to consumers in international scale. That is why, these companies can be categorized as business-to-consumer companies (B2C). B2C marketing can be defined as selling products and services to consumers for use in their daily life. The key differences between B2C and B2B (business-to-business) marketing are related on target market, type of buyer and buying process. B2C marketing focuses on consumers and therefore the transactions are more impulsive and decisions based on consumer's emotions and immediate needs. B2C marketers are able to create needs to consumers which they did not have before. Additionally, the aim of B2C marketers is to create emotional and long lasting connections with their audience. (Reklaitis & Pileliene 2019.) That is why, B2C companies are suitable for this research because the aim is to clarify how social media marketing can influence to brand associations, awareness, assets, loyalty and perceived

quality. Selected case companies are supporting the research question and objectives from the right perspective.

International small and medium- sized companies (SMEs) were selected to this study because of the writer's personal interest to find out how international companies with limited resources and small amount of employees are executing their marketing activities. Social media provides possibility to achieve global awareness also for small companies because of its cost-efficiency and large amount of daily users all over the world. Also, SMEs usually have lower brand visibility compared to large companies. Therefore, it is highly interesting to study how these less visible companies are able to build their brand equity by using social media marketing. (Karimi & Naghibi 2015.)

The definition of small and medium-sized company varies between countries and sectors. In this case study, writer defines SMEs by most general standards in which SME is explained as business that is having less than 250 employees and holds the turnover per year maximum 50 MEUR. Commonly, SMEs can be divided on three businesses: micro, small and medium.  All of the case companies in this study can be categorized more specifically as micro- or small enterprises because of the annual turnover and amount of employees. (Lucky & Olusegun 2012.)

Results of this study can not be generalized from the viewpoint of specific product but some degree of generalization can be seen because all the case companies are international SMEs that are operating in B2C sector, delivering their products directly to the end-users mostly on online. Case companies were selected by searching Finnish SMEs which are operating in international scale. Criteria of choosing case companies were the proper amount of employees, annual turnover, international operations and focus on B2C sales. All of the case companies have less than 50 employees and their annual turnover scale is around 2-10 MEUR. Also, the case companies are established originally in Finland, but all of them operate internationally in several countries. The main sale focus of each case company is on online sales directed to consumers. This case

selection criterion is important because the purpose of the entire thesis is to clarify social media marketing actions of small and medium- sized companies which are operating in international scale and therefore the case companies need to be line with the research objectives.

Potential companies with previously mentioned criteria were approached by e-mail or via phone. Finding appropriate case companies turned out to be difficult because several of the contacted companies proved unresponsive. Finally, four companies were selected and all of interviews were held via phone, because it was the most appropriate way for respondents. Interviews lasted between 30-40 minutes and each interview was based on the same main question. However, because conducting semi-structured interview the interviewee had possibility to answer flexible to the questions and interviewer was able to ask additional in-depth questions based on the answers of the interviewee. That is why, every conducted interview was unique and there can be some nuance differences between interviews.

Interviews were recorded in order to get the most reliable answers and later transcribed in a written form. This means that data is reproduced by using the actual words from interview. The method called *coding* was used to analyze the empirical data in order to identify the most relevant themes and words from the entire data. This helps to understand main elements and word from data which are crucial for analyzing process and findings of the study. Coding process is important to do carefully to maintain the validity of the empirical data and avoid biases. (Saunder et al. 2007: 482-490.)

Data analysis can be explained as a process of bringing order, meaning and structure to the mass of collected data and there is no single correct approach to conduct it (Ghauri & Gronhaug 2005: 206). There are several activities which assist to analyze qualitative data such as categorization, unitizing data, recognizing relationships and developing categories, and developing theories to reach conclusions. *Categorization* refers to sorting data into different categories which should be relevant for theoretical

framework, research questions and entire data. Secondly, when *unitizing* data, the purpose is to attach pieces of the data to the previously created categories. It can include tables or figures which assists to display the data. Process of *recognizing relationships and developing categories* points at finding key themes or relationship of the rearranged data. This may lead to subdividing or integrating categories and find out the most essential categories for the study.  Also, this action may lead to gain new insights within the data. Lastly, *developing theories to reach conclusions* means creating hypotheses or propositions from the data and testing these by providing alternative explanations. By testing various hypotheses and propositions will assist to build valid conclusions. (Saunders et al. 2007: 478-484.)

The data analyzing process of this study was conducted by sorting and identifying themes and creating categories based on different themes. In order to understand the thematically conducted data analysis, tables and figures had been used. Themes of discussion are based on theoretical framework (Chapter 2.3) which is representing the basis of the data analysis. Analyzing case companies is done by comparing case companies' social media marketing actions and features of brand equity from the interviews to the previous studies of SMM and brand equity. Finally, the found results are concluded in to clear and coherent conclusion that clarifies the answer to the research question and objectives.

## 3.3   Validity and reliability of the study

*Validity* means that the results of the study are exactly what they show up to be. When using an inductive approach, a clear theoretical framework and research purpose are essential part of validity of the research. (Saunders et al 2007: 149.) Silverman (2001:290) suggests two methods of validation which are suitable especially for qualitative research: triangulation and respondent validation. Triangulation refers to process of comparing various methods and different types of data. Whereas, respondent validation appears during the data collection process when gathering feedback from the participants about the accuracy of the given data. In this thesis, data is collected from

various sources. The primary data is gathered from the interviews and it is combined with the secondary data such from company's websites, social media sites and previous researches of the topic. (Silverman 2001:290.)

Because aim of the thesis is to examine *how* and *why* to use social media marketing in international SMEs by using both interviews and academic literature, it can be hard to attain a complete "truth". The purpose is to find the most suitable social media marketing methods in order to build brand equity by interviewing international SMEs, so the answers are from their point of view and the answers may vary between case companies. Therefore, because of the nature of this thesis, respondent validation can not be absolutely valid in this study. It need to be considered, that the study is conducted in a certain period of time so the answers may vary over time. The aim of this study is to compare current social media actions with theory and previous research of the topic. Actions in social media and opinions about it are constantly changing and are tied to time, yet the facts are remaining the same.

*Reliability* refers to consistency and trustworthiness of the collected data and analysis of the research. In other words, if other researcher would do the same research would this researcher come up with the same findings based on same sources of information. Also, would the observations be similar with the other researcher. (Easterby-Smith et al. 2002:53.) There may be several threats related to reliability of the research, especially in data which is collected from the interviews. For example, authority might prevent respondent to answer to some questions truthfully. Therefore, interviewer should consider anonymity of interviewee's answers. Also, there can be different ways how respondent interpret the questions and also the interviewer can observe the answers differently. That is why, it is important to constitute the questionnaire as clear as possible and minimize the risk of misunderstandings. (Saunders et al. 2007: 149; Robson 2002.)

All of the interviews of this case study is conducted by the writer to certify that all questions are asked in the same way and respondents have perceived the questions in similarly. The questions for interviews are based on research question and objectives of

the study and prepared carefully by making those as clear as possible to avoid misinterpretations. Also, the case companies and their answers are introduced as anonymously in order to gain more flexible and detailed answers from the respondents.

Yin (2003:19) argues that the case study can be tested in from four different perspectives: construct validity, internal validity, external validity and reliability. This thesis follows these perspectives in order to proof validity and reliability of the research. The first one is construct validity that refers to identification of correct operation methods for the studied concepts. Construct validity is this thesis is guaranteed by using essential data from multiple relevant sources such as academic literature and interviews. Secondly, internal validity aims to seek causal relationships between variables and it used mostly in explanatory studies. In this study, causal relationship can be seen between social media marketing actions and brand equity. The main goal is to find the relationship between SMM and brand equity and which actions are affecting to this phenomenon. (Yin 2003: 34-37.)

The third one is external validity, which is related to generalization on the study. The generalization on this study can be seen in that all case companies are international small and medium-sized business-to-consumer companies so they operating directly with consumers. Therefore, the answers between case companies can be compared and associated to general conclusion. Lastly, reliability refers to similarity of the research findings despite of the researcher. The evaluation of reliability in this study was discussed earlier in this chapter. (Yin 2003: 34-37)

In the following table (table 2), the details of empirical data collection from interviews are introduced in order to provide clarity to the reader. Title of interviewee, date of interview, length of interview, transcribed pages, implementation channel of the interview and other data is explained.

| Company | Title of the interviewee | Date of interview | Length of interview | Transcribed pages | Channel | Other data |
|---|---|---|---|---|---|---|
| Company A | Founder | 21.1.2020 | 25 min. | 5 pages | Phone | Website and social media channels |
| Company B | Social media marketing manager | 4.2.2020 | 28 min. | 5 pages | Phone | Website and social media channels |
| Company C | Founder | 13.2.2020 | 30 min. | 6 pages | Phone | Website and social media channels |
| Company D | Chief Operating Officer, COO, Founder | 19.5.2020 | 51 min. | 9 pages | Phone | Website and social media channels |

**Table 2**. Empirical data collection.

# 4 Findings

This chapter presents the findings from the case study. Findings are formed in order to acquire answers to the research questions and objectives of the study. The discussion of the findings is divided in parts. First, focus in on use and importance of social media for international SMEs, international social media marketing and social media strategy, and social media marketing fey features of case companies. Then, focus is on brand equity by explaining it with Aaker's (1991) brand equity model and reflecting it to the case companies.

The findings are based on four interviews with four different case companies. Interviews are conducted with founders and employees of case companies who are in charge of marketing activities or closely related to social media marketing in their company. Firstly, findings are presented individually from each case company, by using case-by-case method. Then, cross-case analysis is used to identify the differences and similarities between the case companies. Summary of the findings from this empirical data can be seen in the figure 9, in the end of this chapter.

## 4.1 Case A

Company A is a Finnish based international company that offers a complete online service package to consumers. This means, that company offers products from different brands for consumers. According to their websites, their concept is to be an outsourced ecommerce division for brands and companies. Company is in charge of specific brands' wholesale, online marketing and social media marketing in Finland and several other countries such as Germany, Netherlands, Austria and Baltic countries. Company operates mainly online but have several retailers located in Finland and in few other countries. Since company A has several brands, answers from this interview are focused primarily for company's main brand that has international operations.

Originally, the company was founded in the year 2012 in Lahti, Finland. Initially, the company focused on importing bicycles but today company has 15 webstores providing for example clothes, accessories and furniture all over the Europe. The warehouses of the company are located in Lahti and Oulu, Finland, but company ships products internationally to 50 different countries. From the beginning, the aim has been on international sales and company began to internationalize in the Swedish markets. Today, their main market is Germany with largest sales. The strength behind their operations is scaling the sales quickly and providing extensively products to consumers in various countries.

Company's turnover in 2019 was 3 MEUR and it employs approximately 12 employees. It can be categorized in international small-sized company based on its annual turnover and amount of employees. The interview was conducted with one of the founders of the company in January 2020. Interviewee is closely working with marketing activities of the company and is involved in decisions related company's marketing actions.

### 4.1.1 The use of social media in international markets

Company A argues that social media marketing is highly important to their company because social media is one on the main drivers to their websites. Google marketing is also one major marketing channel to them, but recently social media has proved to be more efficient because of its cost-effectiveness. With social media, it is easy to measure the conversions from each of their social media channels. Conversion can be explained as a percentage of visitors' example on company's website that complete the desired goal out of the total amount of visitors. Also, conversion can be, for example, a click of certain link on social media post, contact from customer or purchase of a product. Company A is constantly searching for new ways to measure their social media marketing with attribution modeling which determines how conversions are assigned to different marketing channels.

The most powerful social media channels for company A are Instagram and Facebook. However, because of the algorithm of Facebook, reaching customers on this channel has turned out to be difficult. That is why, the focus is mainly on Instagram because it is easier to get visibility there than on Facebook. Regarding the social media marketing content of the company, the aim is to release content approximately two times a day. However, according to interviewee, it depends on day how active users are. Therefore, it is important to avoid overdose with social media releases.

The main idea behind their social media marketing actions is to get engagement from the consumers. There are specific times during the day which are the most powerful in order to gain highest engagement. Engagement can be measured by likes, shares and comments. With engagement, is possible to gain visibility on followers' algorithms that assists consumers to move forward in their purchasing processes and hopefully creates new needs and desires of company's offerings.

Company A aimed to the international markets already from the beginning of their operations. The main objectives which company A desires to achieve by international social media marketing is to increase awareness to their brands and drive traffic to their websites. They have created a budget for social media marketing and considered carefully their target market and collaborations with social medial influencers. Most of their marketing resources are invested to collaboration with social media influencers. Addition to their websites, using social media influencers is the main way to build their brand to right direction. With suitable influencers, company is able to influence how consumers are experiencing their brand image. The selection of suitable influencers is difficult, because the amount of followers does not obviously refer to successful influencer. For company A, it is important to find influencers who are genuinely interested about their brand and are able to increase their brands' awareness among right target group.

Company has several social media accounts for their brands in different target countries. They have local employees and local social media influencers who are in charge of the social media content of each country. That is why, their brand can be as local as possible and they can release content that is the most functional for specific country. Local knowledge of each country is the most effective way to access to foreign markets.

## 4.1.2 Social media marketing key features

Company A aims to share interesting content for their followers and releasing content regularly on their social media channels. The main focus of their content creation is on user-generated content for example pictures of their customers or influencers wearing their products. Company achieves frequently material from their customers, such as pictures and videos. According to interviewee, this kind of user-generated content is more genuine compared to firm-generated content. Also, traffic to their websites from social media is higher when the content is created by their customers. This can be measured by the click percentage in the links of the certain social media post. Therefore, using user-generated content company is able to maximize the conversion and engage their customers.

Customers are actively engaging company A's actions in social media by liking, commenting and using their brand's hashtags. According to interviewee, the engagement of customers varies depending of the content. That is why, they desire to share content that is outstanding and unified for brand's values. Customers are in the center of their business and they want to involve customers to their operations. Company aims to conversion driven customer experience. Also, the feedback from customers is highly important in order to develop, learn and improve their business.

The open conversations in social media of company A's brand is mainly positive. However, they are not actively following the conversations in social media or participate in conversations about their brands or products. According to interviewee, positive comments of the brand from customers are highly valuable in order to gain trust among

customers. Also, by using social media influencers, company is able to attract consumers to purchase their products. Interviewee refers that consumers are likely to trust more content of other consumers and influencers than the brand itself.

### 4.1.3  Social media marketing and brand equity

According to interview, customer's loyalty towards their brand is strong. This can be measured by customer's lifetime value that is high. Customer's lifetime is presented by the value of previous or expected purchases of customers. The focus is to gain long-term relationships with customers. Social media is one main driver to company's websites, therefore it assists to increase customer's brand loyalty. According to interviewee, few of their brands are known internationally and have gained brand awareness in several countries.  However, interviewee highlights that it is hard to measure the international brand awareness only from company's perspective.

The associations of their brand are mainly related to their unique design which arouses both positive and negative opinions. However, the main reason that interviewee believes why consumers are purchasing their product is their brand. They have gained awareness to their brand which influences strongly to consumers' purchasing decisions. Nevertheless, the quality and design of the products have to be decent in order to develop the brand image and associations related to brand.

Interviewee states that it is hard to measure the benefit of social media without sharing discount codes in their social media releases. That is why, they often provide discounts to their customers in order to drive traffic to their websites. However, according to interviewee, discount codes destroy their brand because customers are often expecting to have products on inexpensive price. Therefore, using discounts on social media can be effective way to increase sales but at the same time deteriorate their brand equity.

## 4.2 Case B

Case B is international company that operates on consumer electronics. The brand was originally established in the USA 2012, but its Finnish subsidiary was established in the year 2017, Tampere, Finland. Its turnover was 8,1 MEUR and the amount of employees were 15 in the year 2019. Company operates with multiple retailers internationally and their online store and delivers globally over 20 countries. Company is constantly seeking for growth and aim is to expand every year to new markets. The interview was conducted with the social media marketing manager who is in charge of European, Middle East and African markets. The reason why this company was selected to the study is because writer wanted to investigate if there are differences between independently operating international SME subsidiary compared to other international SMEs related to social media marketing actions and building brand equity.

### 4.2.1 The use of social media in international markets

Social media marketing is definitely important to Company B and it is one of their main channel for marketing. Interviewee stated three main reasons why social media marketing is highly important to them: increasing brand awareness, driving traffic to their websites and building community. Also, their target group is in social media so it is crucial to be present on the same channels. With social media they are able to reach easily and quickly large amount of people, especially their target group which is people around 15-35 years. Also, marketing is not bounded to location so it is possible to reach people all over the world. Company B also mentioned that their brand is quite new and several people do not identify their brand. Hence, the main focus is to increase the awareness of their brand and they have used social media as a main channel for that.

With social media, it is easy to measure the conversions and social media has turned out to be one of the main drivers to company B's websites. The direct conversion occurs when customer click on Facebook or Instagram after getting interested about product. Then, customer ends up to company's websites and make a purchase. Indirect

conversion occurs when customer click to the website from social media channel but do not make the purchase immediately. Later, customer returns to the website by searching brand from Google. However, the main driver to websites in both of these cases is social media.  In addition to building brand awareness and driving traffic to websites, company use social media to build community which is highly important to their brand. With social media brand, they able to build relationships with customers and influencers by creating atmosphere for people sharing same interests.

The most used social media channel for Company B is Instagram and Facebook. However, Instagram has proved to be more efficient because the reach of Facebook is low. Therefore, balancing with Instagram and Facebook marketing by using ads is the most appropriate way. Twitter is also one of their social media channels but the focus there is mainly on customer support, not directly on marketing.  Also, some use of Pinterest and TikTok but in Europe Instagram, Facebook and Twitter are the most efficient channels for marketing.

The main goal what company B wants to achieve with social media marketing is to increase brand awareness globally.  In order to achieve global brand awareness, they have allocated a budget and social media has proved to be cost-efficient way to built awareness in different countries. As for the international aspect, the idea is to unify the same brand image and same messages globally, but still localize the brand. Therefore, Company B has country managers in different countries who are native in each country. With country managers, it is possible to translate languages but also localize contents, because modification and translation is very relevant in different countries.

After building the brand awareness, the second goal of their social media strategy is to drive traffic to company's websites. Social media is proved to be a strong driver of reaching people and retargeting them. The idea is not to achieve as many followers as possible, rather reach people who are genially interested about the brand. Therefore, it is important to engage with right people with correct approach. According to

interviewee, company does not hesitate to offer products or giveaways when people are truly interested about their brand and products. Providing benefits to interested customers is part of their strategy that assists them to engage new customers.

### 4.2.2   Social media marketing key features

Company B argued that participation of consumers as a highly important part of their social media marketing. By enabling user-generated content, online brand communities, customer engagement and eWOM they are able to involve consumers to their marketing activities in social media. Company B shares mostly user-generated content to their social media channels such as pictures or videos with their products created by consumers or social media influencers. By offering products to consumers who are genuinely interested about their products and who are likely recommend their brand to others, they have been able to create brand awareness.

After investing largely to their brand awareness and building social communities company B has achieved a lot of comments and feedback to their social media channels. According to interviewee, customers like to contact with brands on social media and therefore customer support is important. Social media provides possibility to respond rapidly and in real time to customers' questions. With participation and engagement of consumers it is easier to learn about the reasons why consumers are satisfied or unsatisfied to the brand or product. Also, it is possible to get qualitative insights about their social community related to brand.

According to company B, by monitoring eWOM it is possible to understand customer's opinions about the brand and make improvements. Interviewee mentioned that they use tool for social listening which collects all mentions online about the brand. That assists company to understand what people are talking about them and in which social media channel. Although there is a lot of discussion in social media about their products,

the brand behind the products is unknown for numerous people. Therefore, the one major objective for company B is to make people understand who they are as a brand.

### 4.2.3 Social media marketing and brand equity

After starting active social media marketing one year ago, interviewee is convinced about its affect to their brand equity. They are in learning phase as for social media marketing but still have seen increased amount of customers and followers in social media, more engagement and conversations about the brand, and more pictures with customers showing their products. In addition, after they started social media marketing, sales have increased and large part of sales is proved to be from social media. However, they have still work to do with associating their brand with their products.

Company B does not have many direct competitors, but fake products can be seen as their major competitors. That is why, they have created a patent to protect their brand that can provide them competitive advantage and possibility to stand out from competitors. According to interviewee, having the patent is highly important because it enables to fight against the competitors and keep the right image of the brand. Also, with the patent Company B is able to prove their perceived quality. That is important because most of the consumers are more likely to buy products from the original brand than from fake brand.

In the past years, company B has executed several social media campaigns internationally which have been successful and increased the awareness of their brand. They have not faced any large disadvantages from social media which could have affected negatively to their brand. However, interviewee mentioned one social media campaign that led to several negative comments about their products. The reason why campaign failed was related on differences between consumers' preferences on diverse countries. In local scale it was harmful to their brand, but with interactive communication with customers they managed to avoid greater harm to their brand.

## 4.3 Case C

Company C is Finnish family business that started from providing shoes but has lately expanded to furniture business also. Company was originally established in the year 1986 but in the year 2012, they released complete new concept to their brand. Company operates internationally online and has a physical concept store located in Tampere, Finland. Also, several retailers in Finland resales their products. Company started to internationalize in 2017, by firstly entering to Swedish market. In the end of the year 2019, they started to ship products to the entire Europe. Company's mission is to create new trends and styles by bringing new nuances to the shoe- and furniture business. Company aims to build awareness of their brand by focusing unique design and high quality of the products. 90% of their products are designed by the company itself. Their main strategy is to do their own business, not to copy other brands. Turnover of the company was 5 MEUR in the 2019 and amount of employees 19. According to this, company can be categorized as international small-sized company.

### 4.3.1 The use of social media in international markets

For company C, social media is one of their key channels to reach customers. Therefore, they allocate their marketing resources mainly to social media marketing. The most used and effective social media channels to them are Facebook and Instagram. However, they have faced visibility problems in Facebook, because it demands a lot of resources to be able to reach customers there. Therefore, Instagram is proved to be more efficient channel to them.

Interviewee argues that social media marketing has become more expensive in the past years because of its increased popularity and effectiveness as marketing channel. Also, because of social media, the competition has grown and new brands are constantly approaching to the market. Therefore, is crucial to compete in market shares and create strategy how to differentiate from other brands.

Company aims to create international awareness to their brand especially focusing on social media marketing. They have one global Instagram account of their brand but in Facebook they have different channels for each country. With different channels they are able to reach local customers in more efficient way. Interviewee argues that their goal is to release content which is as native as possible in each country. Their communication language in Instagram is English, but in Facebook the communication is made with different languages.

The content creation also depends on target country. Local knowledge of different countries is important because releasing similar content in every country is not effective. European countries are still new market to them so they are still working on to create suitable content. For example, preferences and circumstances may vary a lot in different target countries. Interviewee states that the weather in South Europe can be totally different compared to Finland and therefore the content in social media must consist of suitable products for each country. However, Finland and Sweden are the strongest market to company C and the content in social media between these countries is quite similar.

### 4.3.2   Social media marketing key features

Company C is focusing to create content with good quality to their social media channels. Their content in social media consists of product pictures and videos generated by the firm or customers. According to their Instagram account they have released pictures almost every day and Instagram stories several times a day. Content consists mainly of good quality and light colored product pictures and videos.  Interviewee mentioned that firm-generated content is highly important part of their social media marketing. With firm-generated content they are able to reach consumers and especially their target market. However, interviewee emphasizes that user-generated content is also important and they are often re-sharing posts from their customers. Also, they are actively using influencers and collaborations in their social media marketing which have been proved to be efficient. However, the main focus is still content created by the firm.

Regarding customer engagement, interviewee argues that their customers are actively participating in social media by commenting, sharing and liking. However, interviewee mentions that customer engagement have turned a bit negative way after they have moved their marketing mainly to Instagram from Facebook. This can be explained by difference between age group in these two channels. In Facebook, users are mostly older than in Instagram. Therefore, interviewee argues that older users might be more likely to comment and like than younger users. Company C has faced the fact that it is hard to create content that interests people and engage them with brand.

Company C is actively following consumers' discussion of their brand in social media. Mostly comments have been positive but interviewee highlights that it is obvious that people are more likely to share negative opinions and feedback of the brand than positive. Company C has policy that they are not taking part to general negative comments on social media, because mostly it is harmful to brand. However, negative feedback provides possibility to learn and improve the process next time.

### 4.3.3   Social media marketing and brand equity

Interviewee of Company C emphasized that social media marketing has affected positively to their brand equity. Presence and marketing in social media is required especially if purpose of the company is to succeed with online store and gain business profit. Company C has investigated their brand loyalty it shows that consumers are quite loyal to their brand. However, there is always need for improvements so they are constantly developing social media marketing of the company.

Brand awareness of company C is not good as they wish. Interviewee argued that because they do not have any mentions in traditional media, that might have affected negatively to their brand awareness. Interviewee underlines that their brand is still unknown to numerous Finnish people even if the brand is completely Finnish. However, with use of social media they have increased their brand awareness especially among

young adults who are actively using social media. Regardless, their goal is to build stronger brand and clarify what they are as a brand by using social media. Still, they want also to reach people from other medias.

According to interviewee, the strength behind their brand is unique product portfolio that none of their competitors are offering. Also, in Finnish markets they want to spread awareness about their domestic brand, but in international scale it is harder to stand out from the mass. That is why, social media is efficient channel to increase brand awareness internationally and drive traffic to their websites.

## 4.4 Case D

Case D is Finnish children's fashion brand which operates online by shipping products over 35 different countries worldwide and has also several retailers in different countries all over the world. Originally, the company was founded in 2012, Oulu Finland, by two sisters who had a strong vision of the brand they wanted to create. From the beginning, they knew that their markets are in international scale so they started to sell products internationally starting from the first year. Today, the main markets are in Finland and Estonia with largest sales. Previously, China was their main market for few years but the focus of Chinese markets has recently decreased. In the year 2019, turnover of the company was 4,3 MEUR and it employed 13 people. Hence, company D can be categorized as international small-sized company.

Company D's values are based on quality, ecological products and safety which are strongly visible on their collection. Design of the products is simple with small and interesting details. Company uses high quality fabrics which are sustainable and ecologically produced.

### 4.4.1    The use of social media in international markets

For company D, social media has always been a large part of their operations. According to interview social media was one major thing which has been enabled their growth from the beginning to this day. In the first years after establishing the company, Facebook was their main channel for marketing. Facebook marketing allowed large visibility to their brand since the first years. Today, main social media channels for company D are Instagram and Facebook. However, they also have Pinterest, Tiktok and Youtube channels. TikTok and Youtube are new channels for company D, so it is hard to tell the marketing effectiveness of these.

Social media influencers are also large part of company's social media marketing. The collaboration with influencers has been based on free product deliveries not paid advertising. That is why, influencers are able to choose whether they want to show brand on their social media or not. Therefore, the visibility of the brand is based on influencers willingness to recommend the brand.  However, company has planned a new approach to influencer marketing, for example, paid advertising with influencers. According to interviewee, to them is important to collaborate only with influencers who are genuinely interested about their products and brand. That is why, the selection of influencers need to be careful in order to find persons who are sharing the same values with the brand.

Company D's social media strategy aims to sales promotion and brand building. They have developed international social media campaign that purpose is to improve and increase the use of social media influencers in international scale. Company D has already done influencer marketing in several countries, but now, their aim is to create more targeted material to each country and use local influencers in order to increase brand awareness and enhance sales. However, they use the same social media account for their brand internationally where they release material in English. That is why, the material of their own social media accounts is similar for every target country. The focus of targeting consumers is based on influencers who are local in each country and who are able to reach consumers from specific countries.

Company D has faced some problems related to international social media marketing in some of their target countries. For example, in China they were not able to utilize general social media channels because Chinese have their own marketing channels. Also, in Russia, they had content problems because Russians were not able to show similar marketing pictures in social media than other countries. That is why, Company D decided to stop their social media marketing in Russia because it was not compatible with their company's values. However, according to interviewee, in most of their target countries is possible to use same social media channels and similar content without facing any obstacles.

## 4.4.2 Social media marketing key features

Firm-generated content is highly important for company D because it is compatible as possible with their brand. For them is important to maintain brand image by releasing certain kind of content on social media. The content on their social media channels consist mainly of pictures of children's wearing their brand's clothes. Additionally, company D releases at times user-generated content on their own social media account that usually consist of pictures of customers wearing clothes from their brand. Company D argued that user-generated content is also greatly important to them but they have focused more to firm-generated content. Still, customers are actively participating on company D's social media actions by liking, commenting and tagging brand on their own social media pictures. According to interviewee, Company D is proud of their customers' active engagement on their social media and they highly appreciate it.

Company D has several online brand communities which consist of consumers who are interested about their brand and products and who are likely to share their interest inside the community. All of these communities are created by consumers not the brand themselves. According to interviewee, this kind of brand communities are part of their business and brand because they want to create communality around their brand.

Company D is quite conscious about the conversation of their brand in social media because they achieve information about the conversations from different channels. According to interviewee, their customers are likely to give feedback straight to them through customer service.  Also, their customers are highly loyal and therefore customers often inform brand of the negative conversations on social media. Even if the company operates only online, communication between brand and customers is truly interactive and customers has always been able to approach company effortlessly through their social media channels. The effective interaction between brand and customers have facilitated to make improvements and changes to their business.

Company D has faced one large disadvantage considering consumers' conversations in social media that started from customer reclamation. It caused a large social media sensation of their brand which affected negatively to their brand image. However, interviewee stated that even if they achieved mostly negative comments it assisted them to achieve brand awareness to their brand in the first years of their operations. After this sensation, they decided not to participate in any conversation of their brand in social media.

### 4.4.3   Social media marketing and brand equity

Since the social media is the main marketing channel for company D, its influence to brand equity can be seen clearly. According to interviewee their customers are truly loyal to the brand which can be seen from participation of customers in social media and regular product purchases of existing customers. Most of the consumers arrives to their websites from their Instagram and Facebook. However, Google have also been effective driver to their websites that refers to strong brand. In addition, company D is regularly organizing customer events and the amount of participants has always been enormous. Therefore, they had to limit the amount of participants in their events. These customer events have been great opportunity to strengthen the communality around their brand even more.

For now, the awareness of the brand is largest in Finland and Estonia. Also, in Sweden the awareness is large. However, company aims to increase their awareness in international scale by using several different actions. According to interview, social media marketing is major way to increase their brand awareness but it is not solely enough. That is why, company uses also Google marketing and focus to find new retailers to their brand in various countries. In order to build brand awareness there is need to use several different tactics to achieve large international awareness to the brand.

The quality of products is one of the company D's most important values and they ensure that the quality is always excellent. However, the main reason why consumers buy their products may not be solely the quality. According to the interviewee, the excellence behind their products is the added value that customers receive when they purchase products. In this case the added value relates to the communality around their brand. After purchasing products, customers become a part of one large community where all customers can share their opinion and interested related to brand. This means, that purchasing is not limited only to the product rather the added value. Bringing extra value to the customers have been the main objective of the company from the beginning.

Interviewee states, that their brand causes both positive and negative images. Children's clothes industry is highly competitive and therefore is crucial to stand out from the mass. According to interview, it is important to raise all kind of emotions among people, otherwise something has gone wrong. For Finnish consumers the brand's associations might relate to domesticity but in international scale, few knows the origin of the brand. The competitive advantage of company D was originally their design, but lately competitors have mirrored similar designs. Therefore, it is truly hard to have competitive advantage only with design. That is why, the aim of company D was to be trendsetter from the beginning. They want to design unique products and be close and available to consumers. Consumer perspective and effective interaction in social media and customer commitment have affected positively to their brand.

## 4.5 Cross-case analysis

This chapter combines together the empirical data and theoretical part of the study. The aim is to seek similarities and differences between empirical findings and existing academic literature. This cross-case analysis follows the structure of this Master's thesis by first presenting the use of social media in international SME's and then continuing the brand equity part of this thesis. The cross-case analysis in conducted in order to strengthen the internal validity of this research. (Yin 2003:23.)

### 4.5.1 Social media marketing in international SMEs

Empirical findings showed that for all of the case companies, social media was highly important and it is one of the main marketing channels for companies. Companies agreed that creating social media marketing strategy and planning the marketing budget for social media highly is essential. The main reasons, why case companies have used social media marketing were to build international brand awareness, increase customer engagement and drive traffic to the websites. In addition, company B and D mentioned that desire to build brand communities is one of the main reason behind the use of social media. This supported the study of Jones (2010) in which SMEs use social media marketing to promote their business offerings, build brand, create relationships with customers and create value.

According to theory, Facebook, Youtube and Instagram are among the most used social media channels. (Emarketer 2018). However, all of the case companies mentioned that for them Facebook and Instagram were the most effective channels. Only Company D stated that they have started to use Youtube but it is not belonging one of their main social media channels. Moreover, most of the case companies argued that Facebook's algorithm has influenced to their marketing actions negatively and therefore Instagram was the most effective channel to gain brand visibility.

Case companies had similar and different ways to operate internationally in social media. Company A and B had several social media accounts for different target countries and local employees who are in charge of the content of specific country. This supported the theory of adoption approach which focus on adoption of local needs and behaviors of target market. (Boddewyn et al. 1986; Hultman et al. 2009) However, A and B still maintained unified global brand image to all target countries. Company C had one global Instagram account but in Facebook different accounts for each target country. In turn, Company D had only one global account for every target country, but they used local social media influencers to localize their content. The approaches of case companies can be seen mix of adoption and standardization, as standardized creative strategies, that refers they are maintaining a global image and still considering different needs of target countries (Ford et al. 2011). However, all of the case companies argued that the content in social media need to be localized. Therefore, all case companies collaborated actively with social media influencers who are local in their target countries. Also, companies A and B used local employees in order to consider local needs. This supported Berthon et al. (2012) theory which emphasize the need of localizing in social media marketing. Also, this underpins Pickton & Broderick's (2001) study in which companies should consider carefully their target audience and market place in order to have effective social media communication.

Two of the case companies has faced problems related to their social media marketing in some of their target countries. Company D faced problems in China and Russia related to suitable social media marketing channels and content. In turn, Company C had problems with consumers' dissimilar preferences in diverse target countries. This supported the theory of Berthon et al. (2012) of five axioms for using social media in international strategy. This theory is related to the fact that similar approach for every country is not effective because of differences in cultural values and governmental issues. (Berthon et al. 2012.)

Zahoor & Qureshi (2017) argued that social media marketing has five key features: user-generated content (UGC), firm-generated content (FGC), online brand communities, customer engagement and electronical word-of-mouth (eWOM). Company A and B highlighted the importance of user-generated content in part of their social media marketing. Company A stated that user-generated content is more genuine compared to firm-generated content and the traffic to their websites is larger if the content is made by customers. Company B mentioned that with user-generated content they have been able to increase their brand awareness. This supported the theory of MacKinnon (2012), that user-generated is mostly seen more trustworthy content because consumers trust more to other customers than to the company itself.

Company C and D stated that they focus more on firm-generated content because it is certainly compatible with their brand and they are able to reach their target audience better by creating content mostly by themselves. This supported the theory of Zahoor & Qureshi (2017) where firm-generated content has an impact to brand image and consumer's purchase process. However, all case companies mentioned that there is need for both UGC and FGC in order to reach customers and gain awareness.

All case companies agreed that content creation is essential part of social media marketing and the content has to be interesting and clear.  Also, they mentioned the difficulties of communicating in social media in order to engage their customers, not only to gain more followers. This supports the social media communication model for SMEs by Ungerman & Myslicova (2014) that suggest model how to build relationship with customers in social media. In the center of the model is quality of the content because it is crucial part of whole communication process (Ungerman & Myslicova 2014). Also, according to Braojos-Gomez et al. (2015), especially for small companies with unknown brand, innovative marketing content in social media is necessary in order to compete with well-known brands.

To gain customer engagement was highly important for all case companies. According to Zailskaite-Jakste & Kuvykaite (2013), companies are able to increase brand awareness and brand image by enhancing customer engagement. Case companies argued that their customers are engaged that can be seen by likes, comments and shares in social media. This supports the theory that engaged and loyal customers are likely to participate to brand's social media actions (Zailskaite-Jakste & Kuvykaite 2012). However, Company A mentioned that customer engagement in social media varies largely depending of the shared content and of the publishing time. According to Company C, the engagement depends also on used social media channel and user group of this channel. This supports the honeycomb model from Kietzman et al. (2011) that consist of seven functional blocks in social media which need to be considered in order to understand customers' behavior is social media.

Company B and C were actively following the conversation among customers of their brand in social media, because it assists to understand customers and make improvements for business. In turn, companies A and D did not actively follow the conversations of their brand in social media. However, Company D mentioned they still are highly conscious about conversations related to their brand because they achieve a lot of information straight from their customers. All of the case companies argued that the conversation of their brand is mainly positive so it has influenced positively to their brand. This supports the study of Alam & Khan (2015) where eWOM has studied to positively influence to brand awareness, brand loyalty and perceived quality. However, all of the case companies have decided not to participate in conversations on social media in order to avoid misunderstandings and skepticism towards their brand. (Mayzlin 2006.)

Building online brand communities were essential part of Company B and D's strategy. For both B and D, communality around their brand is highly important because customers are able to share same interest towards their brand and became more loyal.

This supported Dessart et al. (2015) theory where online brand communities have studied to influence brand commitment and customer loyalty.

| Principle | Company A | Company B | Company C | Company D |
|---|---|---|---|---|
| **Importance of SMM** | High | High | High | High |
| **Reason behind the use of SM** | One of the main drivers to the website | Target audience is in SM, easy & quick way to reach customers, the main driver to website | Key channel to reach customers | Major thing that has enabled growth of the company |
| **Most efficient SM channels** | Instagram & Facebook | Instagram, Facebook & Twitter | Instagram & Facebook | Instagram & Facebook |
| **SMM key features** | Focus mainly on UGC & customer engagement | Focus mainly on UGC, online brand communities, customer engagement, measuring eWOM | Focus mainly on FGC, UGC also important | Focus mainly on FGC & online brand communities, UGC & customer engagement also important |
| **International SMM actions** | Several different SM accounts for target countries, local employees and SM influencers, localized content | Several different SM accounts for target countries, local employees and SM influencers, localized content | Global Instagram account, local Facebook accounts, local SM influencers, localized content | Global accounts, local SM influencers, localized content |
| **Standardization vs. adoption** | Standardized creative strategy | Standardized creative strategy | Standardized creative strategy | Standardized creative strategy |
| **SMM goals** | Engagement from customers, international brand awareness, drive traffic to websites | Create brand communities, international brand awareness, drive traffic to websites | International brand awareness | Create brand communities, sales promotion, international brand awareness |

**Table 3**. A Cross-case analysis of social media marketing in international SMEs.

### 4.5.2 Social media marketing and brand equity

All of the case companies argued that the use of social media has affected mainly positively to their brand equity. Especially company B and C stated that social media marketing has improved largely their brand equity. This supports the previous studies of social media's important role of developing brand equity. (Cicek et al. 2012) Companies A and B focused mainly creating user-generated content which has been studied to have positive impact on brand equity. (Sashi 2012; Schivinski 2013.) In the other hand, company C and D focused to firm-generated content which has been studied to influence brand image, attitudes towards a brand and consumer's willingness to purchase. (Schivinski & Dabrowski 2014.)

Customers brand loyalty is crucial for all of the case companies and therefore companies measure the loyalty of customers by examining their key performance indicators and customer's lifetime value. According to these indicators, case companies felt that they have rather loyal customers. Social media can be measured as a main driver for each case company's websites. Therefore, presence in social media have assisted customers to be more loyal to the brand. This supports the theory that social media have become an important way to maintain to loyalty of customers. (Cicek et al. 2012) For company B and D, the loyalty of customers can be seen also from their online brand communities. Gaining loyal and engaged customers and long-term relationships was highly important for all of the case companies. According to Zailskaite-Jakste & Kuvykaite (2013) engaged and loyal customers increases the brand equity.

Since all of the case companies are categorized as small-sized, international brand awareness is not yet as large as they wished. However, with social media marketing they have been able to increase the brand awareness in international scale. Especially, the use of local social media influencers as brand promoters in each target country has been highly efficient for every case company.

The most effective social media marketing actions in order to built brand equity turned out to be finding suitable social media influencers, being present in various channels and releasing interesting content regularly which is localized in each target country, and building online brand communities.

Case companies mentioned various threats that can impact their brand equity. Company A stated that sharing discount codes can be efficient way to increase sales. However, it may affect negatively to brand equity if customers feel that brand provides only inexpensive products which might in some cases refer to bad quality in customer's mind. Also, if the company creates wrong kind of content and not understand local customer preferences it might have negative impact to their brand. Concerning previous mentioned threat, also local social media influencers need to be chosen carefully otherwise they might deteriorate brand equity. Company B and C has faced problems with taking part in public conversations of the brand in social media. That is why, it's crucial to consider when joining to the conversation could be harmful for the brand. Company A and B both mentioned that fake products could decrease their brand equity, in case customers combine poor quality fake products with their brand.

| | Company A | Company B | Company C | Company D |
|---|---|---|---|---|
| **SM marketing impact on brand equity** | Positive | Positive | Positive | Positive |
| **Factors of building international brand equity** | SM influencers, Adoption of local needs | SM influencers, adoption of local needs, online brand communities | SM influencers, active presence in SM | SM influencers, online brand communities |
| **Threats of building international brand equity** | Sharing discounts codes too often in SM, fake products | Not understanding local customer preferences, large amount of competitors and fake products | Taking part to SM conversation of the brand, lack of mentions on traditional media | Unsuitable SM influencers, taking part to SM conversation of the brand, large amount of competitors |

**Table 4.** A cross-case analysis of international SMM and brand equity.
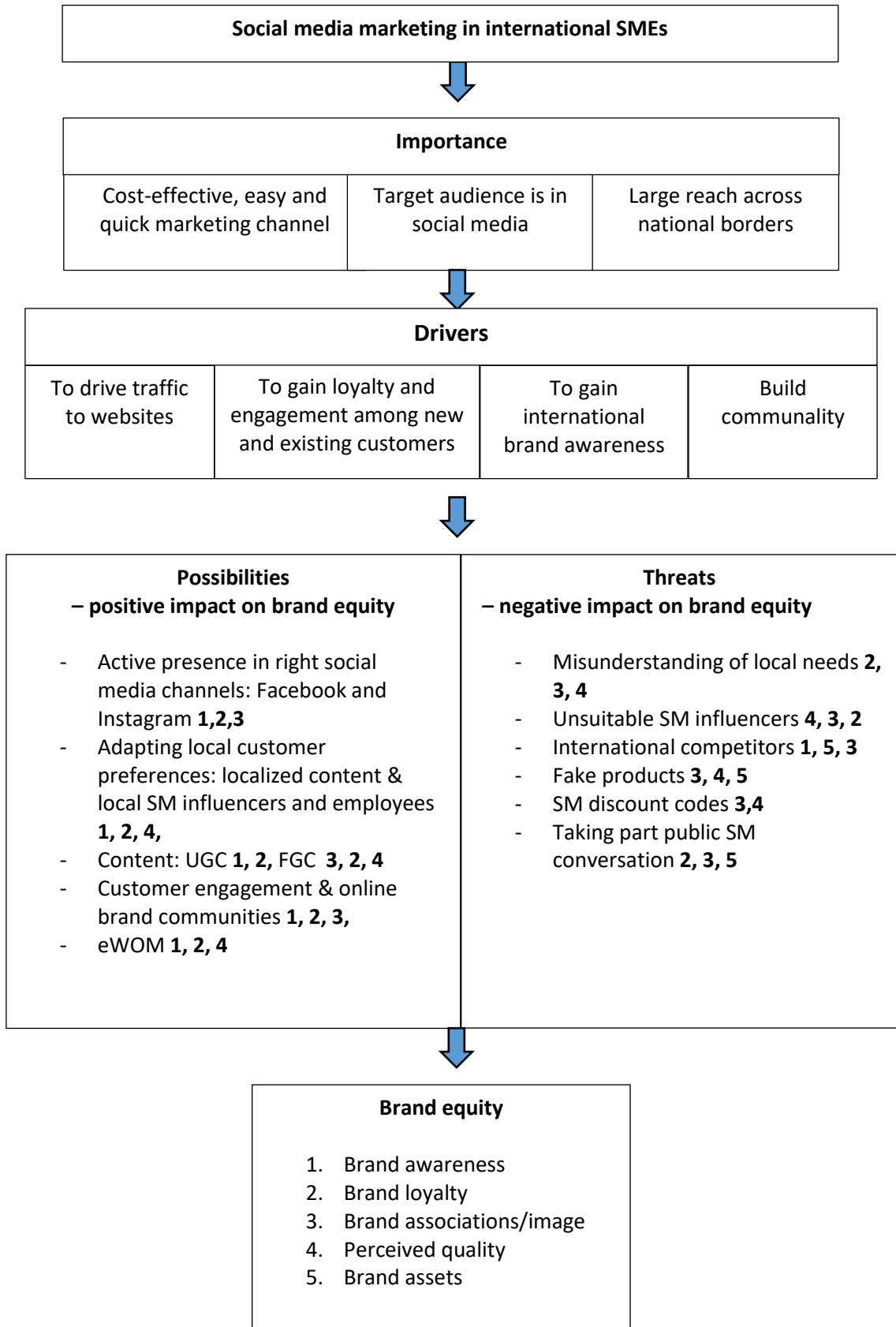
## 4.6  Summary of the findings

In this section, the most relevant empirical findings are presented. Based on empirical findings social media marketing is one of the key marketing actions of international SMEs and has influenced positively in brand equity of international SMEs. However, it can not be argued that social media marketing solely influences positively to brand equity since case companies used also other marketing actions. Still, international social media marketing has enabled the growth of case companies and increased international brand awareness and loyalty towards their brands. The main reasons why case companies used social media marketing is because their target audience is in social media, it is quick and easy marketing channel and it is efficient way to reach a lot of potential customers from different countries. The main goals that case companies wanted to achieve by using SMM were to increase international brand awareness, gain loyalty and engagement among customer, drive traffic to their websites and build communality.

Regarding the social media key features, both user-generated and firm-generated content proved to be highly important to all case companies. User-generated content was used because consumers are more likely to engage with the brand if the content is created by other customers. Firm-generated content was used because it is aligning with company's brand.  For all case companies, localizing their social media content and use of local social media influencers and local employees in several target countries was highly important. Social media influencers were used because of the increased favor of user-generated content and its positive influence to customer engagement and loyalty. Case companies were using combination of standardization and adoption, that means they maintained unified global brand but focused on localizing content and understanding local preferences of their target countries.

The most common threats for international SMEs of building brand equity through social media were misunderstandings of local customer preferences, unsuitable social media influencer and taking part of the conversation of the brand on social media. Also, the

large amount of competitors and fake products of the brand were mentioned as factors which can decrease their brand equity. Since case companies used other marketing activities besides social media as well, it can not be guaranteed that by solely using social media marketing case companies have been able to build their brand equity.

In the following figure 9, the connection between the findings from the interviews will be established by using the theoretical framework (figure 8) from the chapter 2.3 as a basis.

**Social media marketing in international SMEs**

⬇

| Importance | | |
|---|---|---|
| Cost-effective, easy and quick marketing channel | Target audience is in social media | Large reach across national borders |

⬇

| Drivers | | | |
|---|---|---|---|
| To drive traffic to websites | To gain loyalty and engagement among new and existing customers | To gain international brand awareness | Build communality |

⬇

**Possibilities
– positive impact on brand equity**

- Active presence in right social media channels: Facebook and Instagram **1,2,3**
- Adapting local customer preferences: localized content & local SM influencers and employees **1, 2, 4,**
- Content: UGC **1, 2,** FGC **3, 2, 4**
- Customer engagement & online brand communities **1, 2, 3,**
- eWOM **1, 2, 4**

**Threats
– negative impact on brand equity**

- Misunderstanding of local needs **2, 3, 4**
- Unsuitable SM influencers **4, 3, 2**
- International competitors **1, 5, 3**
- Fake products **3, 4, 5**
- SM discount codes **3,4**
- Taking part public SM conversation **2, 3, 5**

⬇

**Brand equity**

1. Brand awareness
2. Brand loyalty
3. Brand associations/image
4. Perceived quality
5. Brand assets

**Figure 9.** Summary of the empirical findings.

# 5   Discussion and conclusions

At this point of this thesis, writer have been through clarifying the research topic, introducing the research question and objectives, reviewing the appropriate literature related to topic, representing the research design and collecting empirical data and analyzing it. This final chapter of this thesis will give the reader a conclusion of the entire study from the starting point to where it has led. The main purpose of this chapter is to gather results from the case study and theory by reflecting those to the original objectives presented in the first chapter. Also, the answer to the main research question will be proposed in this chapter. In the end of this chapter, there will be theoretical and managerial implications and potential future research areas provided.

## 5.1   Conclusions

The aim of the study was to examine how international small and medium-sized companies can utilize social media marketing in order to build their brand equity. In the beginning of the study, the main concepts of social media, international social media marketing, brands and brand equity were introduced by explaining the main features and theories related to these. The answers to the research question are based on theory and interviews of the four case companies.

The main research question was **"How can small and medium-sized international companies utilize social media marketing in order to build their brand equity?"**

In the beginning of the study, objectives of this research were clarified in order to understand the purpose of the research paper and get answer to the research question. The first objective of the study was *to develop social media marketing alternatives for small and medium-sized international companies*. All case companies highlighted the importance of social media marketing in international SMEs. Case companies felt that social media is efficient way to reach their target audience across national borders and

it is the main driver to company's websites. It can be seen clearly that social media has created a whole new approach for international companies to engage with their existing customers and reach new customers across national borders. (Cicek et al. 2012) Especially for SMEs which may have limited marketing resources, social media marketing can be seen as useful alternative because of its cost-effectiveness, reach and easiness. Social media is a great possibility for SMEs to access to larger international markets and reach potential customers all over the world. (Karimi & Naghibi 2015.)

In order to use social media marketing in efficient way, there is need for social media strategy. Especially international SMEs should consider carefully their target audience and explore the most efficient social media channels to approach their audience. Also, the content is social media channels need to be designed carefully by taking into account customer preferences but also cultural and governmental facts of their target country. International SMEs should adapt their marketing strategies to foreign countries especially if company is small-sized, has unique product and has high cross-national differences in the business environment by understanding the needs of the customers in their target country (Berthon et al. 2012). Case companies were using combination of adoption and standardization in their international marketing actions which means that each of the case companies understood the importance of localizing their social media content but still maintained unified brand image. In order to localize the content case companies used user-generated content, local social media influencers and local employees in each target country.

Case companies were focusing mainly on user-generated content, firm-generated content, customer engagement and online brand communities. These proved to be the most effective social media marketing features that international SMEs should consider. The popularity of user-generated content was based on the assumption that consumers are likely to trust more information created by other consumers than marketers (Zahoor & Qureshi 2017). Still, firm-generated content was seen as important in case companies because it is certainly compatible with the brand image. Customer engagement was

found to be important for international SMEs because engaged and loyal customers are likely to watch, share and comment social media content created by the brand which increases the international awareness of small and medium-sized company (Zailskaite-Jakste & Kuvykaite 2013). Also, building online brand communities was seen important because it enhances the relationship and loyalty between consumer and brand, and enables communality around the brand in different countries.

The most effective social media channels for international SMEs were found to be Instagram and Facebook. Case companies considered these two social media channels the most important because their target audience was present in these channels. Especially popularity of Instagram emerged from the case companies' responses because of its favorable algorithm.

Second objective was to *explain concepts of brand equity and how they apply for small and medium-sized international companies*. In the theory part, the concept of brand equity was introduced to the reader. Brand equity appears when consumer is familiar with the brand and can make associations related to it (Keller 1993;2003). The concept of brand equity can be explained with five dimensions: brand awareness, brand loyalty, brand associations, perceived quality and brand assets. (Aaker 1991). Especially for international small and medium-sized companies gaining loyal customers is critical because having loyal customers is more profitable than searching constantly for new customers. Since loyal customers are crucial for SMEs, brand loyalty can be seen one of the most important components of brand equity and case companies agreed that brand loyalty is highly important for all of them. (Zahoor & Qureshi 2017.) Also, with brand loyalty company is able to create brand awareness.  Case companies mentioned since one of their main goals was to increase international brand awareness by using social media marketing, they have succeeded with this.

Competition in international markets is tough so it is vital for SMEs to stand from the crowd. Since international SMEs are not usually able to compete with resources case

companies had used trademarks and patents. Then, competitors were not allowed to copy their ideas and consumers are not making wrong associations with company's brand. Patent provide also competitive advantage for SMEs and possibility to stand out from the competitors. (Aaker 1991; Odoom et al. 2017.)

The third objective was *to examine connection between social media marketing and brand equity in small and medium-sized international companies by using previous research and interviews.* Based on academic literature and empirical findings social media marketing, it can be proved that there is connection between social media marketing and brand equity building in international SMEs. Social media marketing enables possibilities and threats for international SMEs. It can have positive or negative impact to different factors of brand equity. However, all of the case companies agreed that with social media marketing they have been able to see mostly positive impact to their brand and their brand equity has increased.

Finally, it is possible to provide answer to the main research question *"How can small and medium-sized international companies utilize social media marketing in order to build their brand equity?"* By creating social media strategy that includes active presence in various and suitable social media channels, understanding local customer preferences, localizing content and using local employees, preferring UGC, FGC, and customer engagement, creating online brand communities and measuring eWOM, international SMEs are able to build their brand equity, especially brand awareness, brand loyalty and brand associations. Since the focus was especially on international SMEs, the most important thing is to understand cultural and personal differences across countries and create content that is uniform with customer preferences and legislation with the target country.

## 5.2 Theoretical implications

The theoretical contribution of this master's thesis apply to the previous academic literature on international social media marketing and communication, strategies of

international small and medium-sized companies, international branding and concepts of brand equity. This thesis has provided theoretical implications of social media marketing and its influence to brand equity in international SMEs. Also, this thesis has produced some extensions to existing theoretical insights.

Theoretical findings of this thesis have increased our knowledge about importance of social media marketing especially in international SMEs which are operating in B2C sector, concepts of brand equity and connection between international social media marketing and brand equity. The findings of this thesis supported that social media marketing is highly important for international SMEs and it has mainly positive influence in brand equity. (Cicek et al. 2012; Zailskaite & Kuvykaite 2013.) Also, findings supported that with strong brand companies are able to gather loyal and long-term relationships with customers. Findings supported the theory that for international SMEs the adoption of local needs and desires of the target countries is crucial.  For international SMEs which operate in B2C sector, especially user-generated content is proved to be important. Also, the importance of firm-generated content need to be considered as it turned out to have an impact on the company's brand image.

By integrating Aaker's (1991) brand equity theory into this international social media marketing context, it was found that international social media marketing actions supports brand equity factors, especially international brand awareness, brand loyalty and brand associations. Findings supports the theory that international SMEs are able to achieve expanded international brand awareness, positive brand associations and brand loyalty by using social media marketing.  (Zailskaite & Kuvykaite 2013; Tuten & Solomon 2017.)

## 5.3   Managerial implications

This thesis has produced some managerial implications. The role of social media is constantly being emphasized in marketing activities of different sized international companies. Especially international SMEs should adopt these social media marketing

practices and integrate them to company's marketing strategy. The empirical findings have proved the importance of social media marketing especially in international SMEs because of its cost-effectiveness, reach and easiness. Also, social media marketing has proved to enable growth of international SMEs and increase their international brand awareness. For management, it is important to understand social media marketing activities which are crucial especially for international SMEs in order to gain growth.

As was proved, customer preferences in different target countries need to be taken into account in social media marketing strategy of the international SME. In addition, the possible barriers regarding social media in different countries need to be considered carefully. Also, for international companies it is crucial to clarify their target audience and explore the social media usage and the most used social media channels among this specific audience. Balancing with user-generated and firm-generated content are factors that marketers of international SMEs need to consider because as proved, these have impact on company's brand awareness and brand loyalty. Especially, international SMEs operating in B2C sector should understand the power of user-generated content and the fact that companies are no longer the only source of their brand communication. (Kaplain & Haenlein 2010.)

However, marketers need to consider the nature of social media. Since social media is rather new concept the studies of social media marketing in SMEs are rare and most of the studies focus on large companies. Also, social media is constantly changing, for example most used social media channels are changing always changing. That is why, it is crucial for companies to understand preferences of their target audience. Social media and its implications need to be evaluated carefully and understand the differences between industries and contexts. Also, it can not be guaranteed that international SMEs can build brand equity solely by using social media marketing. Therefore, the influence of other marketing actions need to be also considered and how these can affect on different factors of brand equity.

## 5.4   Limitations and suggestions for future research

In the chapter one of this paper, the limitations were given regarding empirical studies in social media marketing and its effect from the perspective of branding. In addition, the most of the previous studies focus on large companies rather than small and medium-sized. In the empirical part of this study, the focus was solely on international SMEs in B2C sector, and their experiences of social media marketing and its influence to brand equity.  Hence, the research is limited only to B2C companies, findings from interviews can not be truly generalized with all international SMEs. Also, interviews express partly personal views of the topic and these views are limited to the particular time. Because social media is fairly new term also the results of its effectiveness may change over time. Continuous development of social media and increase of new social media platforms gives space for future research. Also, due to the fact that social media is a rather new term, there is a need for future research of social media and its influence to different business factors. Also, because of the constantly changing nature of social media, the validity and timeliness of the studies need to be considered regular basis.

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# Appendices

## APPENDIX 1. Interview questions

**General information**

1. What is your position and how long have you been working in this company?
2. In which countries your company operates, besides Finland?

   When your company became international?

**International social media marketing**

3. How would you describe the use of social media in your company?

   How important it is to you? Give an example.

   How often your company posts marketing material in social media? Describe your social media posts and give an example of the content.

4. Which social media platforms your company uses?

   Why you chose these platforms?

   Do you use SM influencers in your social media marketing? Why/ Why not?

5. Do you have social media marketing strategy? Describe your strategy and your goals related to it.

   How much resources you invest to your social media marketing?

6. Are consumers actively participating your social media marketing actions? How? Give an example. (Customer engagement, User-generated content, Firm-generated content, Online brand communities, eWOM.)

   Do you have two-sided communication with your customers in social media? (How often, how quickly you respond to them?)

   How do you see firm-generated content compared to user-generated? Which one is more powerful to your company? Why?

7. Are your international social media marketing actions different compared to local ones?

Does the content vary depending on target country?

Have you faced any problems with bureaucracy in some of your target countries?

**Brand equity**

8. Do you think that being active is social media has been affected to your brand equity? Give an example.

9. Which social media marketing actions have been the most powerful/ most harmful to your brand? Give an example of both.

   How these actions have affected to your brand equity?

10. How you measure your brand/brand equity?

    How would you describe your brand equity today?

    (Brand loyalty, brand awareness, perceived quality, brand associations, brand assets.)