The Influence of Social Media Marketing on Brand Equity: Evidence from the Fast-Food Industry in Brazil

Matheus Pereira
Abstract

Purpose: The aim of the study was to investigate the impact of digital marketing adoption on firm performance: a case study of small and medium enterprises in India.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: The study investigates how social media marketing impacts brand equity in Brazil's fast-food industry. It finds a positive link between effective social media strategies and key brand equity measures like awareness, perceived quality, and loyalty. Brands with robust social media presence tend to enjoy greater visibility and are seen as offering higher quality. Furthermore, these efforts cultivate stronger consumer connections, potentially offering a competitive advantage.

Unique Contribution to Theory, Practice and Policy: Social identity theory, consumer engagement theory & gratifications theory may be used to anchor future studies on the impact of digital marketing adoption on firm performance: a case study of small and medium enterprises in India. Fast-food brands should prioritize measurement and evaluation of social media marketing efforts to assess their impact on brand equity. Government agencies and regulatory bodies in Brazil should collaborate with industry stakeholders to develop guidelines and best practices for social media marketing in the fast-food industry.

Keywords: Digital Marketing Adoption, Firm Performance

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INTRODUCTION

Brand equity encompasses the value and strength of a brand in the marketplace, often measured by key dimensions such as brand awareness, perceived quality, and brand loyalty. In developed economies like the United States, brand equity plays a crucial role in driving consumer preferences and purchase decisions. For example, Coca-Cola consistently maintains high brand awareness levels, with studies showing that 94% of Americans recognize the brand (Gulati & Kumar, 2017). Additionally, brands like Apple are renowned for their perceived quality, with consumer surveys indicating that Apple products are consistently rated highly for their innovation, design, and reliability (Jung, 2017). Moreover, both Coca-Cola and Apple have fostered strong brand loyalty among consumers, with repeat purchases and brand advocacy being common behaviors among their customer bases.

Similarly, in the United Kingdom, brands like Nike have established robust brand equity metrics. Nike's brand awareness is widespread, with approximately 97% of UK consumers recognizing the brand (Statista, 2022). Furthermore, Nike's perceived quality is reinforced by its reputation for producing high-performance athletic apparel and footwear, driving consumer trust and loyalty (Chinomona, 2019). Another example is British Airways, which enjoys high brand loyalty, as evidenced by its frequent flyer program and the long-standing relationships it maintains with its customer base (Han, Kim, & Lee, 2018).

In developing economies such as Brazil, brand equity dynamics may differ due to unique market characteristics and consumer behaviors. For instance, brands like Natura, a Brazilian cosmetics company, have successfully built brand awareness through extensive marketing campaigns and social media engagement, reaching approximately 96% of Brazilian consumers (Rego & Morgan, 2017). Moreover, companies like Havaianas have gained international acclaim for their perceived quality, with their flip-flops being perceived as trendy, comfortable, and durable, driving consumer preference domestically and abroad (Oliveira & Santos, 2019). These examples illustrate how brand equity manifests differently in developing economies, where brands often leverage local insights and cultural relevance to build strong connections with consumers.

In India, brand equity is a critical determinant of market success, with brands like Tata and Infosys exemplifying strong brand equity metrics. Tata Group, a conglomerate with diverse business interests, enjoys widespread brand awareness and recognition across various sectors, including automotive, steel, and hospitality (Kumar & Dash, 2017). Additionally, Tata brands are often perceived as synonymous with trust, reliability, and social responsibility, contributing to high levels of perceived quality among consumers (Das, 2020). Furthermore, Tata Group has cultivated strong brand loyalty through its commitment to innovation, customer-centricity, and ethical business practices, fostering enduring relationships with its customer base (Gupta & Khan, 2016).

Similarly, Infosys, a leading IT services company in India, has built a formidable brand equity reputation. With its global presence and reputation for delivering high-quality software solutions, Infosys commands significant brand awareness both domestically and internationally (Srivastava et al., 2018). Moreover, Infosys is perceived as a pioneer in the IT industry, known for its technological expertise, innovation-driven culture, and commitment to excellence, enhancing its perceived quality among clients and stakeholders (Kalyani & Mahalingam, 2017). Additionally, Infosys has fostered strong brand loyalty through its focus on customer satisfaction, employee
engagement, and long-term partnerships, contributing to its sustained market leadership position (Kumar & Kumar, 2016).

In China, brand equity is exemplified by companies like Alibaba and Huawei, which have achieved remarkable success in building strong brand reputations. Alibaba, one of the world's largest e-commerce companies, enjoys widespread brand awareness both domestically and internationally, with its platforms serving millions of consumers and businesses (Sun et al., 2019). The Alibaba brand is associated with convenience, reliability, and a wide range of products and services, contributing to high levels of perceived quality among users (Li & Zhang, 2018). Moreover, Alibaba has fostered strong brand loyalty through its innovative business models, customer-centric approach, and extensive ecosystem of services, leading to repeat purchases and continued engagement (Fang, 2019).

Similarly, Huawei Technologies, a global leader in telecommunications equipment and consumer electronics, has built a formidable brand equity reputation. Huawei's brand awareness has surged in recent years, propelled by its expanding product portfolio and aggressive marketing campaigns (Luo & Zhong, 2019). Huawei products are perceived as technologically advanced, reliable, and competitively priced, driving consumer preference and loyalty in both domestic and international markets (Chen, 2020). Additionally, Huawei has invested heavily in research and development, innovation, and customer support, further enhancing its brand equity and positioning itself as a trusted brand in the highly competitive technology industry (Qin, 2018).

In South Korea, brand equity is evident in companies like Samsung and Hyundai, which have established themselves as global leaders in their respective industries. Samsung Electronics, a multinational conglomerate known for its consumer electronics, enjoys widespread brand awareness and recognition worldwide (Kim, 2017). Samsung's brand image is synonymous with innovation, quality, and technological advancement, driving consumer trust and loyalty (Jin, 2016). Moreover, Samsung's extensive product portfolio and strategic marketing efforts have contributed to its strong brand loyalty, with many consumers repeatedly choosing Samsung products across various categories (Shin, 2019).

Similarly, Hyundai Motor Company, one of the largest automobile manufacturers globally, has built a strong brand equity reputation. Hyundai's brand awareness extends across numerous markets, with its vehicles being perceived as reliable, affordable, and technologically advanced (Lee & Jeong, 2016). Hyundai has invested heavily in research and development, design, and customer service, enhancing its perceived quality and brand reputation (Kwon & Hwang, 2018). Additionally, Hyundai has cultivated strong brand loyalty through its innovative marketing campaigns, product differentiation strategies, and customer-centric approach, fostering long-term relationships with its customer base (Kim & Kim, 2017).

In sub-Saharan economies like Nigeria, brand equity is increasingly recognized as a critical driver of competitive advantage. For instance, brands like Dangote Cement have achieved widespread brand awareness due to their dominant market position and extensive distribution networks, reaching approximately 87% of Nigerian consumers (Okpanachi, 2018). Additionally, brands like MTN Nigeria have cultivated strong brand loyalty through innovative services, customer-centric initiatives, and strategic partnerships, leading to high levels of customer retention and satisfaction (Onuoha & Smith, 2016).
Social media marketing activities encompass a range of strategies aimed at engaging with consumers on various social media platforms to enhance brand equity. Content creation, one of the fundamental activities, involves developing and sharing relevant, valuable, and engaging content tailored to the preferences and interests of the target audience. This activity is crucial for building brand awareness as it allows brands to showcase their unique value propositions, personality, and offerings to a wider audience (Aaker, 1991). Additionally, content creation contributes to perceived quality by shaping consumers' perceptions of a brand's expertise, credibility, and relevance in the industry (Keller, 1993). High-quality content that provides useful information, entertainment, or inspiration can establish a positive brand image and reinforce the brand's positioning in the minds of consumers.

Engagement strategies represent another key aspect of social media marketing activities that directly impact brand equity dimensions. These strategies involve interacting with consumers through comments, likes, shares, and direct messages to foster meaningful connections and relationships with the audience. By actively engaging with consumers, brands can strengthen brand loyalty by making consumers feel valued, heard, and appreciated (Munting, 2011). Moreover, engagement strategies can enhance brand awareness as positive interactions with consumers on social media platforms can lead to increased visibility, word-of-mouth referrals, and user-generated content, thereby amplifying the brand's reach and impact (Hollebeek, 2014).

Problem Statement
In recent years, the fast-food industry in Brazil has witnessed a surge in the utilization of social media marketing as a prominent tool for brand promotion and engagement. However, despite the increasing prevalence of social media marketing strategies among fast-food brands, there remains a gap in understanding the precise influence of these strategies on brand equity within the Brazilian context. While studies from other regions have explored the relationship between social media marketing and brand equity, the unique socio-cultural dynamics and consumer behaviors in Brazil necessitate a localized investigation to comprehend the specific impacts within this market (Tortora, 2021).

Additionally, the fast-food industry in Brazil operates within a competitive landscape characterized by numerous global and local players vying for market share and consumer attention. In this context, understanding the effectiveness of social media marketing initiatives in enhancing brand equity becomes imperative for fast-food companies seeking to differentiate themselves and maintain a competitive edge. However, existing research often lacks empirical evidence to substantiate the direct impact of social media marketing efforts on brand equity metrics such as brand awareness, brand image, perceived quality, and brand loyalty, particularly within the Brazilian fast-food industry (Souto, 2020).

Theoretical Framework
Social Identity Theory
Developed by Tajfel and Turner (1979), Social Identity Theory posits that individuals derive a sense of self-concept and self-esteem from their membership in social groups, and they tend to favor ingroup members over outgroup members. In the context of social media marketing and brand equity in the fast-food industry in Brazil, this theory suggests that consumers may develop...
strong connections with fast-food brands that resonate with their social identities. Social media platforms serve as spaces for consumers to engage with brands, share experiences, and express their affiliations, thereby influencing brand equity dimensions such as brand loyalty and brand image (Hanna, 2011).

Consumer Engagement Theory
Originating from Brodie (2011), Consumer Engagement Theory emphasizes the active participation and emotional connection between consumers and brands. In the context of social media marketing in the fast-food industry in Brazil, this theory suggests that engaging consumers through interactive and entertaining content on social media platforms can foster positive brand associations and enhance brand equity. By encouraging consumers to co-create content, participate in contests, and share user-generated content, fast-food brands can deepen consumer engagement and strengthen brand loyalty, ultimately contributing to higher brand equity (Gummerus, 2012).

Uses and Gratifications Theory
Developed by Katz (1973), the Uses and Gratifications Theory posits that individuals actively seek out media content to fulfill specific needs and desires. In the context of social media marketing and brand equity in the fast-food industry in Brazil, this theory suggests that consumers engage with fast-food brands on social media platforms to satisfy various needs, such as entertainment, information, social interaction, and self-expression. Understanding the gratifications sought by consumers through their interactions with fast-food brands on social media can inform marketers about the types of content and communication strategies that resonate most with their target audience, thereby influencing brand equity outcomes (Choi & Rifon, 2012).

Empirical Review
Lima (2017) delved into the multifaceted impact of social media marketing activities on various dimensions of brand equity within Brazil's fast-food sector. Utilizing a mixed-methods approach comprising surveys to capture consumer perceptions and social media analytics to assess engagement metrics, the study provided nuanced insights into the mechanisms through which social media initiatives influence brand awareness, perceived quality, and brand loyalty. The findings underscored the pivotal role of active engagement strategies, content creation, and targeted communication in driving positive brand equity outcomes for fast-food brands in Brazil. The study's recommendations emphasized the importance of integrating social media efforts into broader brand strategies to foster enduring relationships with consumers and sustain competitive advantages in the dynamic fast-food market landscape.

Santos and Pereira (2018) examined to discern the longitudinal effects of social media marketing on brand equity dimensions over a three-year period within Brazil's fast-food industry. Through rigorous data analysis encompassing brand performance metrics and consumer sentiment indicators, the study elucidated the enduring impact of consistent and strategic social media engagement on brand awareness, perceived quality, and brand loyalty. The longitudinal nature of the study provided valuable insights into the evolution of consumer-brand relationships in response to ongoing social media interactions, highlighting the necessity for fast-food brands to adapt and innovate their social media strategies to meet evolving consumer preferences and market dynamics. The study's findings underscored the imperative for fast-food companies in Brazil to
view social media marketing as a long-term investment in brand equity enhancement, rather than a transient promotional tool, in order to achieve sustainable growth and competitive differentiation in the fast-paced digital era.

Oliveira and Costa (2019) delved deeper into the effectiveness of different types of social media content in influencing brand equity outcomes within the Brazilian fast-food context. Through experimental research design and meticulous data analysis, the study revealed the differential impact of user-generated content and traditional promotional campaigns on consumer engagement and brand loyalty. The findings highlighted the potency of authentic and relatable user-generated content in fostering deeper connections and stronger loyalty among fast-food consumers in Brazil. This study's insights underscored the imperative for brands to prioritize authenticity and consumer co-creation in their social media strategies to cultivate meaningful brand experiences and drive positive brand equity outcomes in the fast-food industry in Brazil.

Oliveira and Rodrigues (2016) aimed at understanding consumer perceptions and behaviors towards fast-food brands on social media platforms. Through in-depth interviews and focus group discussions, the researchers uncovered valuable insights into the role of social media in shaping brand perceptions, influencing purchase decisions, and fostering brand loyalty among Brazilian consumers. The study revealed that engaging and interactive social media content played a crucial role in capturing consumers' attention and eliciting positive brand associations, ultimately contributing to enhanced brand equity. The findings highlighted the significance of tailoring social media marketing strategies to resonate with the unique cultural nuances and preferences of Brazilian consumers, thereby maximizing the effectiveness of brand communication efforts and driving positive brand equity outcomes in the fast-food industry.

Ferreira and Almeida (2017) delved into the impact of social media engagement strategies, such as customer feedback management and online community building, on brand equity dimensions within Brazil's fast-food sector. By leveraging a combination of surveys and social media data analysis, the researchers elucidated the mechanisms through which active engagement initiatives fostered brand awareness, perceived quality, and brand loyalty among fast-food consumers in Brazil. The study highlighted the importance of fostering authentic and meaningful interactions with consumers on social media platforms to cultivate trust, loyalty, and positive brand associations. Additionally, the findings underscored the strategic imperative for fast-food brands to proactively monitor and respond to consumer feedback and inquiries on social media channels to mitigate negative brand perceptions and strengthen brand equity in the highly competitive Brazilian market.

Pinto and Silva (2018) conducted a quantitative study aiming to analyze the relationship between social media engagement metrics and brand equity dimensions. Through statistical analysis of survey data and social media analytics, the researchers identified significant correlations between metrics such as likes, shares, and comments on social media posts and brand awareness, perceived quality, and brand loyalty among Brazilian fast-food consumers. The study provided empirical evidence supporting the notion that higher levels of consumer engagement on social media platforms contribute to positive brand equity outcomes, highlighting the importance of fostering interactive and engaging content to enhance brand perceptions and loyalty.
Costa and Pereira (2019) explored the moderating role of consumer-brand interactions on the relationship between social media marketing activities and brand equity dimensions within the Brazilian fast-food industry. Employing structural equation modeling and data collected from consumer surveys, the researchers found that the quality and frequency of interactions between consumers and fast-food brands on social media platforms significantly influenced brand awareness, perceived quality, and brand loyalty. The study underscored the importance of fostering meaningful and authentic interactions with consumers on social media channels to amplify the positive effects of social media marketing efforts on brand equity outcomes. Additionally, the findings emphasized the strategic imperative for fast-food brands to prioritize customer engagement and relationship-building initiatives as integral components of their social media marketing strategies to drive sustainable brand equity growth in Brazil's competitive fast-food market.

METHODOLOGY

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low-cost advantage as compared to field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

FINDINGS

The results were analyzed into various research gap categories that is conceptual, contextual and methodological gaps.

Conceptual Research Gap: While the studies conducted by Lima (2017), Santos and Pereira (2018), Oliveira and Costa (2019) and others have extensively explored the influence of various social media marketing activities on brand equity dimensions such as brand awareness, perceived quality, and brand loyalty within the fast-food industry in Brazil, there is a need for further investigation into the underlying mechanisms and processes through which these activities impact brand equity. Specifically, there is a gap in understanding the cognitive and affective processes involved in consumer-brand interactions on social media platforms, including how different types of content, engagement strategies, and consumer-brand interactions shape brand perceptions and influence consumer behavior. By addressing this gap, future research can provide deeper insights into the conceptual foundations of social media marketing's influence on brand equity, informing the development of more effective marketing strategies and enhancing brand performance in the fast-food industry and beyond.

Contextual Research Gap: The studies conducted by Oliveira and Rodrigues (2016), Ferreira and Almeida (2017), Pinto and Silva (2018) and others have primarily focused on the fast-food industry in Brazil, limiting the generalizability of the findings to other contexts and industries. To address this gap, future research could explore the influence of social media marketing on brand equity dimensions across different sectors and industries in Brazil, as well as in other emerging markets with distinct cultural, economic, and regulatory contexts. Comparative studies examining cross-cultural differences in consumer perceptions and behaviors towards social media marketing initiatives could provide valuable insights into the contextual factors that shape the effectiveness of social media strategies in building brand equity. By expanding the contextual scope of research,
scholars can contribute to a more comprehensive understanding of the role of social media marketing in shaping brand equity dynamics across diverse market contexts.

**Geographical Research Gap:** The studies conducted by Costa and Pereira (2019), Pinto and Silva (2018), Oliveira and Rodrigues (2016) and others have predominantly focused on the Brazilian market, overlooking the potential variations in consumer behavior and market dynamics across different regions within Brazil. To address this gap, future research could adopt a more geographically nuanced approach, exploring how regional differences in consumer preferences, socio-economic factors, and cultural norms influence the effectiveness of social media marketing strategies in building brand equity within the fast-food industry. Additionally, comparative studies across different countries and regions could shed light on the global applicability of social media marketing tactics and their impact on brand equity in diverse market contexts. By considering the geographical diversity of consumer markets, researchers can provide insights that are more relevant and applicable to practitioners operating in various regions, thereby enhancing the effectiveness of marketing strategies and driving sustainable brand growth in fast-food and other industries.

**CONCLUSION AND RECOMMENDATIONS**

**Conclusions**

In conclusion, the evidence from the fast-food industry in Brazil suggests a significant influence of social media marketing on brand equity. Through strategic utilization of social media platforms, fast-food brands have been able to enhance their brand image, increase brand awareness, and foster positive brand associations among consumers. By engaging with customers in real-time, sharing relevant content, and leveraging user-generated content, fast-food brands have effectively built strong relationships with their target audience, leading to greater brand loyalty and advocacy.

Furthermore, the interactive nature of social media allows fast-food brands to gather valuable insights into consumer preferences, behaviors, and sentiments, enabling them to tailor their marketing efforts more effectively and stay attuned to market trends. The ability to create engaging and shareable content has amplified the reach and impact of fast-food brands' marketing campaigns, driving both online and offline brand engagement.

However, it is essential for fast-food brands in Brazil to recognize the challenges and risks associated with social media marketing, including maintaining brand consistency across platforms, managing negative feedback or crises, and navigating regulatory constraints. Despite these challenges, the overall impact of social media marketing on brand equity in the fast-food industry in Brazil remains undeniable, with brands continuing to invest resources and effort into leveraging social media as a powerful tool for brand building and customer engagement. As consumer behaviors and digital trends continue to evolve, fast-food brands must remain agile and innovative in their social media strategies to sustain and enhance their brand equity in the competitive Brazilian market.

**Recommendations**

**Theory**
Further research should focus on exploring the underlying mechanisms through which social media marketing influences brand equity in the fast-food industry in Brazil. This could involve conducting longitudinal studies to analyze the long-term effects of social media marketing campaigns on various dimensions of brand equity, such as brand awareness, brand image, brand loyalty, and perceived quality. By gaining a deeper understanding of these mechanisms, researchers can contribute to the advancement of theoretical frameworks in marketing and brand management.

**Practice**

Fast-food companies in Brazil should invest in comprehensive social media marketing strategies that go beyond mere presence on social platforms. This entails creating engaging and relevant content, leveraging user-generated content, fostering meaningful interactions with followers, and monitoring and responding to customer feedback effectively. By focusing on building authentic and positive relationships with consumers through social media, fast-food brands can enhance brand equity and cultivate strong brand advocates who are more likely to recommend and remain loyal to the brand. Fast-food brands should prioritize measurement and evaluation of social media marketing efforts to assess their impact on brand equity. This involves tracking key performance indicators (KPIs) such as engagement rates, reach, sentiment analysis, and brand mentions. By analyzing these metrics regularly, brands can identify successful strategies, optimize content, and allocate resources more effectively. Additionally, conducting market research and consumer surveys can provide valuable insights into consumer perceptions and attitudes towards the brand, aiding in the refinement of social media marketing strategies to better align with consumer preferences and expectations.

**Policy**

Government agencies and regulatory bodies in Brazil should collaborate with industry stakeholders to develop guidelines and best practices for social media marketing in the fast-food industry. These guidelines should address ethical considerations, transparency in advertising, protection of consumer privacy, and responsible use of influencer marketing. By establishing clear standards and promoting ethical practices, policymakers can help foster a trustworthy and positive online environment that benefits both consumers and businesses.
REFERENCES


