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RSSS005 - THE INFLUENCE OF SOCIAL MEDIA ON BUILDING BRAND EQUITY AMONG SME IN MALAYSIA

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ABSTRACT

In the contemporary business landscape, social media has emerged as a pivotal driver of brand equity, particularly for Small and Medium Enterprises (SMEs) in Malaysia. This study investigates the influence of various aspects of social media usage - surveillance, social interaction, information sharing, remuneration, and entertainment content on brand equity, and examines the subsequent impact of brand equity on purchase intention. A quantitative, cross-sectional survey was conducted with 138 SME owners and managers across diverse industries in Malaysia. Data were analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess both measurement and structural models. The study addresses a critical research gap by integrating multiple dimensions of social media usage within a single framework and testing the mediating role of brand equity. The findings are expected to provide empirical evidence on how targeted social media strategies can strengthen brand equity and drive consumer purchase decisions. By bridging the gap between theory and practice, this research offers actionable insights for SME practitioners to optimise their digital marketing efforts and for policymakers to design supportive interventions that enhance SME competitiveness in the digital economy.

Keywords – Social Media Usage, Brand Equity, Purchase Intention, SMEs, Digital Marketing

INTRODUCTION

The rapid evolution of digital technologies has transformed the way businesses interact with consumers, with social media emerging as a powerful platform for communication, engagement, and brand building. In Malaysia, SMEs represent the backbone of the economy, contributing significantly to GDP and employment. However, SMEs often face challenges in establishing and maintaining strong brand equity due to limited marketing budgets and resources.

Social media platforms such as Facebook, Instagram, and TikTok have opened new opportunities for SMEs to enhance their visibility, engage with customers, and differentiate themselves in competitive markets. Despite the increasing adoption of social media marketing, there is a need to understand the specific mechanisms by which different aspects of social media usage influence brand equity and, subsequently, purchase intention.

Recent empirical studies in Malaysia highlight the significance of entertainment and interactive strategies in driving consumer engagement and purchase intention. For instance, Syaharizad, Nor Azrin, and Azilahwati (2023) found that perceived enjoyment and ease of use on social media positively affect SME brand equity. Similarly, Ho, Zakaria, and Foo (2024) demonstrated that entertainment, interaction, and electronic word-of-mouth significantly influence purchase intention in the Malaysian property industry. These findings underscore the importance of validating how such mechanisms operate specifically within Malaysia's SME context.

This study addresses this gap by empirically investigating the influence of surveillance activities, social interaction, information sharing, remuneration, and entertainment content on brand equity, and further analysing the mediating role of brand equity in the relationship between social media usage and purchase intention. The study aims to provide both theoretical contributions to marketing literature and practical recommendations for SME brand management strategies in the digital era.

OBJECTIVE

The overarching objective of this study is to investigate the role of social media usage in building brand equity and its subsequent effect on purchase intention among SMEs in Malaysia. The specific objectives are:

- i. To assess the contribution of surveillance activities on social media to brand equity formation among SMEs in Malaysia.
- ii. To explore how social interaction and engagement strategies on social media affect brand equity among SMEs in Malaysia.
- iii. To examine the impact of information sharing through social media on brand equity among SMEs in Malaysia.
- iv. To investigate the role of remuneration, such as incentives or rewards, in enhancing brand equity through social media for SMEs in Malaysia.
- v. To evaluate the influence of entertainment content on social media platforms on brand equity among SMEs in Malaysia.
- vi. To analyze the relationship between brand equity and purchase intention among consumers of SMEs in Malaysia.
- vii. To assess the mediating role of brand equity in the relationship between social media usage and purchase intention among SMEs in Malaysia.

DESCRIPTION OF THE PROJECT

This project investigates how social media usage contributes to building brand equity and, in turn, influences purchase intention among Small and Medium Enterprises (SMEs) in Malaysia. The study focuses on five key dimensions of social media usage: surveillance, social interaction, information sharing, remuneration, and entertainment. Each dimension captures a unique feature of how SMEs engage with consumers in the digital space.

Features and Functionality

The framework developed in this project integrates these five dimensions into a single model, with brand equity as the mediator and purchase intention as the outcome. The model was tested using quantitative data collected from 138 SMEs across various sectors

in Malaysia. Purposive sampling was used, targeting SME owners and managers across sectors. A total of 210 invitations were distributed, yielding 138 valid responses (65.7% response rate). Reliability and validity were confirmed (Cronbach's Alpha & CR > 0.70; AVE > 0.50), ensuring robustness in measurement quality. SmartPLS software was used to perform Partial Least Squares Structural Equation Modelling (PLS-SEM), ensuring rigorous analysis through reliability, validity, and mediation testing.

Usefulness

The results demonstrate that social media is not merely a promotional tool but a strategic mechanism for brand building. In particular, entertaining and interactive content emerged as the strongest drivers of brand equity, highlighting the importance of creative engagement in Malaysia's consumer culture. This is highly relevant for SMEs with limited budgets, as it provides cost-effective pathways to strengthen brand equity compared to traditional advertising.

Practicality.

For SME practitioners, the findings offer actionable guidance:

- Entertainment-driven content such as TikTok videos and livestreams enhances brand attractiveness.
- Two-way social interaction builds trust and loyalty with customers.
- Incentive-based strategies (e.g., discounts, vouchers, loyalty rewards) are particularly effective in Malaysia's price-sensitive market.
- Market surveillance and information sharing help SMEs stay relevant, transparent, and responsive to customer needs.

Ethical Considerations

All responses were collected anonymously, and confidentiality was assured. Participation was voluntary, and no sensitive personal data were collected. Ethical approval was deemed not required for this minimal-risk survey.

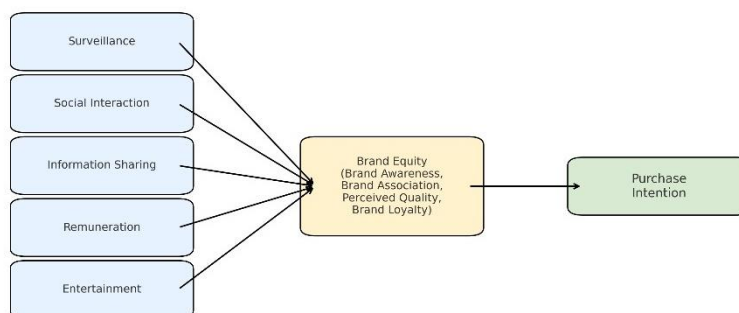


Figure 1: Illustrates the conceptual framework tested in this project.

NOVELTY

This study introduces several novel contributions:

- **Integration of dimensions** - Unlike previous studies that examined single factors, this research integrates five dimensions of social media usage into a unified framework.
- **Cultural insight** - The study demonstrates that in Malaysia's emerging market context, entertainment-driven content is the most powerful driver of brand equity.

- **Role of remuneration** - While often insignificant in developed markets, this study reveals remuneration is still effective in Malaysia, highlighting contextual differences in consumer behaviour.
- **Mediating mechanism** - The confirmation that brand equity fully mediates the relationship between social media usage and purchase intention strengthens theoretical understanding of how digital engagement translates into consumer behaviour.

To the best of our knowledge, this is one of the first empirical studies to holistically integrate these five social media dimensions and test their collective impact on SME brand equity in Malaysia.

CONCLUSION

This study confirms that social media usage significantly influences brand equity, which in turn drives purchase intention among SMEs in Malaysia. Entertainment and relational engagement emerged as key predictors, reflecting cultural preferences for interactive and visually engaging content. The findings underscore that social media activities do not directly translate into purchases; rather, they first build brand equity, which subsequently drives consumer behaviour.

For theory, the study enriches brand equity literature by integrating multiple digital engagement dimensions and validating brand equity's mediating role. For practice, it provides SMEs with evidence-based strategies to build stronger brands using cost-effective digital marketing.

Future research should consider larger samples, longitudinal designs, and cross-country comparisons to expand on these findings within the ASEAN context. These insights provide a foundation for future comparative studies within ASEAN, supporting both academic discourse and policy design for SME competitiveness in the digital economy.

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