

Abstract

Many firms consider social media marketing as a main element of the communications mix. Nonetheless, the use of social media as a marketing tool has been wrought with scepticism owing to the lack of a universal measurement mechanism of its return, and an on-going debate on its influence on consumer behaviour, or lack thereof. In contrast, there has been academic support for positive outcomes in relation to social media marketing such as, consumer engagement. Against this background, the present research purported to examine and explain whether consumer engagement with social media can bring about positive returns to firms in the form of enhanced brand equity, and consumer behavioural intentions.

This study adopted a quantitative, cross-sectional design. Responses were solicited from a sample of 383 Sri Lankan consumers who followed at least one local fashion retail brand page on Facebook, through a structured, self-administered questionnaire. Data preparation and preliminary analyses were conducted on IBM SPSS, while causal relationships were examined through structural equation modelling using IBM SPSS Amos. Drawing from consumer relationship theory and social identity theory, two forms of consumer engagement with social media, specifically brand engagement and brand community engagement were found to have a significant, positive impact on both brand equity and intention to purchase. Further, brand equity was established as a mediator in the relationship between consumer engagement and intention to purchase. Whereupon, brand equity was found to entirely explain the association between brand engagement and intention to purchase, and partially explain the effect of brand community engagement on intention to purchase.

This research offers several theoretical contributions. It corresponds to a direct call for more scholarly examination of new conceptualisations of consumer engagement in relation to brand equity, thus narrowing a stated gap in the literature. Further, it affirms the applicability of consumer engagement and brand equity concepts to a Sri Lankan – South Asian context. This research complements consumer engagement as a significant predictor of brand equity and purchase intentions. It also makes contributions to the underlying theories of consumer relationship and social identity. More importantly, it provides new knowledge on the mediator effect of brand equity. The study also offers managerial insights by broadening practitioners' understanding of the concept of consumer engagement with social media as a potential source of competitive advantage. It identifies consumer-based brand equity as an

appropriate tool to gauge the success of social media marketing activities by the degree of consumer engagement and purchase intentions that transpire. Moreover, the primacy of brand equity towards channelling the impact of consumer engagement is highlighted, as with the necessity for managerial focus on developing brand equity through its dimensions.