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The Relationship between SMS/MMS marketing and Consumer Based Brand Equity (CBBE) – A Review and Conceptualisation

Purpose of the paper: Text marketing expenditure amongst firms grew to £8.94 million in 2012 from £6.09 million in 2011 in the UK (Derived from Ofcom, 2013). This provides a rationale for this paper as it indicates that firms have recently renewed their efforts to access their customers through SMS/MMS based promotion. Extant literature on promotional strategies, however, is deficient in understanding the consequences of these strategies. This paper conceptualises the relationship between SMS /MMS based promotional strategies and its impact in building brand equity. Based on a review of the extant literature, a conceptual model is developed that links the intensity of SMS/MMS to the brand equity of the advertised brand.

Theoretical framework: This study examines the role of SMS/MMS marketing, (also referred to as “text marketing” (Novak and Svensson, 2001)), on brand equity. Farquhar (1989, P.7) defines brand equity as “the added value with which a given brand endows a product”. To develop the conceptual model, we rely on Aaker’s (1991) consumer based brand equity model. The application of SMS/MMS marketing can influence the brand in a variety of ways, for example it can increase brand awareness or improve the attitude toward the brand (Holmes, 2001; Smutkupt, 2012). Furthermore, text marketing can influence customer satisfaction and customer-brand relationship (Nysveen et al, 2005) which in turn affects brand equity (Aaker, 1991; Wang et al, 2012). The conceptual model attempts to conceptualise this impact process from the intensity of SMS/MMS marketing effort to the brand equity of the advertised brand. To develop the model, theory of reasoned action (Ajzen, 1985) is used as the underlying theory. The intensity of the text marketing effort is the exogenous variable which is expected to impact the four dimension of CBBE, which eventually enhances the customer based brand equity of the advertised brand. The conceptual model is shown here

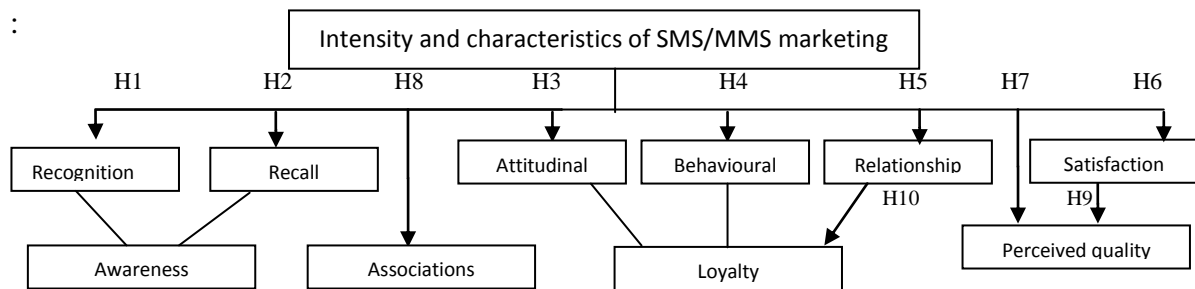


Figure 1-Conceptual model

Design/Methodology/Approach: This is a conceptual paper that draws upon theory related to brand equity, promotional strategies as well as the limited theory pertaining to text marketing. Theory of reasoned action is used as the foundation to build the conceptual model.

Findings: This model shows the sequence of effects from text marketing to dimensions of CBBE and investigates the role of satisfaction and customer relationships in creating CBBE.

Limitations: This is a conceptual model that requires empirical validation.

Implications: Academics can use this model for future brand equity studies and further investigate the important characteristics of text marketing that most influences brand equity. The model can also act as a starting point in understanding how SMS/MMS promotions can be effectively used as instruments of a brand leveraging strategy.

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