

**HOW CAN MULTINATIONAL CORPORATIONS USE SOCIAL MEDIA TO
COMMUNICATE BRAND EQUITY: THE CASE OF NIKE**

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Abstract

In today's business world, many brands use social media as a form of communication. Social media allows customers to establish personal connections between themselves and the brand. Social media also allows customers to learn more about the brand and share information about the brand. This study examines how MNCs use social media to communicate brand equity by analyzing the global sports brand Nike, Inc. A textual analysis of 40 blogsites that are related to Nike shows how blogging has helped strengthen the MNC's brand awareness, brand association, and brand loyalty. This study shows that blogging and other forms of social media can be done by both the company and customers. The research also explains how blogging can be done by using various host sites. MNCs can use social media to handle crisis management. As a result, when MNCs, such as Nike, use social media successfully, brand equity can be strengthened.

Key words: Nike, MNC, Social Media, Blogs, Brand Equity, Communication

1. INTRODUCTION

Does your favorite brand use social media? Due to the popularity of social media today, many brands use social media (Singh & Sonnenburg, 2012). Today's modern technology enables instant communication which has resulted in positive effects in the business world (DuBose, 2011). This study analyzes how multinational corporations (MNCs) use social media. It is important to study and understand how MNCs use social media as a form of communication in today's marketing environment. MNCs can use social media to communicate brand equity (Manara & Roquilly, 2011). The purpose of this study is to explain how MNCs can use social media to communicate brand equity by examining how Nike, Inc. uses social media for branding purposes.

This study is significant because social media and brand equity are important to MNCs (Manara & Roquilly, 2011). There is little theoretical foundation on brands in a global marketplace (Cayla & Arnould, 2008). The second reason why this paper is significant is because it gives theoretical foundation on globalization and branding and on culture and branding. The third reason why this study is significant is because it looks at the social media platform of blogging rather than social networks such as Facebook and Twitter like most research analyzes. The fourth reason why this study is significant is because it includes a case study on one major MNC. The fifth, and final, reason why this study is significant is because it looks at both the way the brand communicates through social media and the way consumers communicate through social media to promote the brand.

This paper consists of an extended literature review, a research method section, a research findings section, and a future research section. The extended literature review focuses on business communication, social media, and brand equity. The literature review will give examples of social

media, explain how MNCs use social media, and explain how brand equity is promoted through social media. The research method section will explain the textual analysis on Nike, Inc. and social media. The research findings section will show the results of the textual analysis, which focuses on forty blogs related to the Nike brand. This section will also explain the major themes found within the blogs. The future research section will note the suggested future research on how MNCs use social media to communicate brand equity.

2. LITERATURE REVIEW

In the article “Globalization and the Rise of Multinational Corporations,” Preda (2008) defines globalization as the expansion of free market capitalism. There are two theories that explain globalization’s effect on the business world. The first is the theory of convergence, which shows how a business’s cultural differences are overshadowed by similarities in different countries (Preda, 2008). The second theory is the theory of divergence, which promotes uniqueness in individual cultures (Preda, 2008). Globalization helps MNCs do business around the world by making it easier to market products and communicate with consumers on a global level. Globalization allows MNCs to use new tools of communication. It is important for global MNCs to use new tools of communication in order to keep their brands relevant, flexible, and diverse (Preda, 2008). One of the major new tools of communication is the internet. The internet allows MNCs to create their own websites (Preda, 2008) and engage in social media. The internet can also be used to track business data (Preda, 2008). When MNCs use the internet, they are able to create a more personal relationship with consumers through two-way communication (Preda, 2008). A MNC can gain recognition by being prevalent in an internet search engine such as Google (Preda, 2008). The internet is most beneficial to MNCs when a crisis arises (Preda, 2008) because the problem can be solved quickly with the click of a mouse. Scholars can use linguistic and marketing concepts to study how companies use communication to strengthen their brand’s image (Levin and Behrens, 2003). These concepts can be used to analyze company-created communication and communication that is created by others such as journalists and consumers (Levin and Behrens, 2003).

There are many definitions for social media. According to Andzulis, Pangopoulos and Rapp (2012), social media is “the technological component of the communication, transaction, and relationship building function of a business which leverages the network of customers and prospects to promote value co-creation” (pp. 308). DuBose (2011) defines social media as developing, sharing, and interacting while using user-generated content. Social media is transforming business (Li, 2012). It offers various new forms of communication (Meredith, 2012). The purpose of social media is not to replace older forms of communication, such as e-mail or the telephone, but to enhance communication (Andzulis et al., 2012). Examples of social media platforms are MySpace, Facebook, Twitter, and LinkedIn (Dyrud, 2011). According to DuBose (2011), in order to understand social media, there needs to be an understanding of Web 2.0 and user-generated content. Components of Web 2.0 that are necessary for the use of social media may include software such as Adobe Flash Player, Really Simple Syndication, and JavaScript (DuBose, 2011). There are three criteria that can make content be considered as user-generated content (DuBose, 2011). The first criterion is that the content must be posted on a social media platform and can be viewed by a particular audience (DuBose, 2011). The second criterion is that the content must be creative and innovative (DuBose, 2011). The third criterion is that the content cannot be created with a professional purpose (DuBose, 2011).

The social media platform MySpace allows users to design their own webpage (DuBose, 2011). A webpage can be made unique through the use of creative backgrounds, music, and pictures (DuBose, 2011). MySpace users can become friends with other users, and friends are able to leave messages on each other’s pages (DuBose, 2011). Facebook began as a social media site that allowed people to

connect with friends and colleagues, but, today, it is also used by companies and organizations for branding purposes (Yan, 2011). Facebook users can “like” a brand and the pictures or statuses that are posted by the brand (Yan, 2011). When a person likes something on Facebook, the liked item and activity become visible on that person’s profile and on the newsfeeds, or homepages, of the person’s friends (Yan, 2011). Twitter is a social media platform that is less formal than Facebook (Yan, 2011). This is because on Twitter, a user can only post statements, called tweets, which have up to 140 characters (Yan, 2011). Twitter users are able to connect with others by following other users and by gaining followers (Yan, 2011). According to Yan (2011), Twitter is a way of using two-way communication. Twitter users can “re-tweet” posts made by their followers (Yan, 2011). When a person re-tweets a post, the post appears on that person’s timeline and on the timelines of his or her followers (Yan, 2011). Hashtags can be used on Twitter to help promote something, and they make searching for a particular topic easy (DuBose, 2011). LinkedIn is used by professionals to share information and network (Dyrud, 2011). A company can use LinkedIn for advertising purposes, to announce press releases or events, and to strengthen their brand. YouTube is a social media platform that hosts videos (DuBose, 2011). Any type of video uploaded to the site (DuBose, 2011). Each minute, than twenty hours’ worth of new video content is uploaded to YouTube from all over the world (DuBose, 2011). Blogs are another example of social media (Notaro, 2008). According to Notaro (2008), web logs, or blogs, can be used for marketing campaigns and advertising. They showcase information and promote sharing amongst interested users (DuBose, 2011). Companies have been using blogs as a creative aspect of branding since the late 1990s (Notaro, 2008). The cyberspace that is occupied by blogger is known as the blogosphere (Notaro, 2008). An example of a blogging platform is Wordpress (Yan, 2011).

Social media includes technology that can be used for both public consumption and for internal use by a MNC (Andzulis et al., 2012). The various social media platforms are great for business because social media can help to enhance a brand by generating new marketing ideas (DuBose, 2011). When a company chooses to use social media, the company must understand how to use it to maintain the brand’s reputation while interacting with customers (Andzulis et al., 2012). Using social media requires commitment from a company (Andzulis et al., 2012). Establishing a social media presence is a process of evolution according to Andzulis, Pangopoulos and Rapp (2012). The first step in the process is to create a social media page such as a blog or Facebook. The company must decide what type of social media is best to use based on their customers (Andzulis et al., 2012). Next, the company should create forums and allow comments from customers. A company should also figure out how to persuade customers to visit the social media page (Andzulis et al., 2012).

Social media will have a significant presence in a company’s sales process in the future (Andzulis et al., 2012). This is because social media affects communication between the company and the customer by handling crises and also by advertising products. According to Andzulis, Pangopoulos and Rapp (2012), during the sales process, social media evolves according to the customer. The customer has all of the power in the transaction. Social media is changing the way business is operated (Andzulis et al., 2012). Therefore, the use of social media is important for a company’s reputation (Andzulis et al., 2012). It can “make or break” a brand (Andzulis et al., 2012, pp. 309). Success from using social media will depend on the company itself (Andzulis et al., 2012). A negative aspect companies may endure while using social media is negative consumer-generated content (Singh & Sonnenburg, 2012). Negative information may include information that has not been endorsed by the brand (Singh & Sonnenburg, 2012). Negative information can spread just as quickly as positive information and can cause a major brand crisis.

A brand is a name, team, design, symbol, or other feature that distinguishes one company from another (Prindle, 2011). Branding is a messaging tool. The objective of branding is to tell a story through a product or service (Prindle, 2011). Brands are cultural forms that are evolving (Cayla & Arnould, 2008). Brands have become an important aspect of culture, thus there is a need for studies on global marketing

(Cayla & Arnould, 2008). Marketing research lacks a strong theoretical foundation on the subject of brands in a global marketplace. Cayla and Arnould (2008) use the consumer culture theory in order to explain branding as a cultural form. They state that branding is a particular way to discuss and see the world. Former branding scholars have explained that branding techniques are the same internationally (Cayla & Arnould, 2008). Reibstein (2005) states, "For a global brand to be a true global brand, it must also be consistent, not just in name, but in position and what it offers" (pp. 176). Western brands are typically the model for brands in other countries (Cayla & Arnould, 2008).

Brand equity is defined as the active and passive elements that are associated with a brand (Manara & Roquilly, 2011). Brand equity is strengthened through brand loyalty, brand awareness, perceived quality, brand association, and trademarks (Manara & Roquilly). Companies use the internet for branding purposes (Cayla & Arnould, 2008). Consumers are able to establish connections between brands (Cayla & Arnould, 2008), learn more about brands, promote brands, and interact with brand owners. MNCs can use branding to strengthen their repertoire and focus on consumer preferences (Cayla & Arnould, 2008). The popularity of social media allows researchers to better understand brand equity (Manara & Roquilly, 2011). Social media allows companies to analyze consumers' conversations about brands (Manara & Roquilly, 2011). The conversations via social media may be positive or negative.

Most brands lack a balanced mix of social media planning (Stauffer, 2012). For example, when using social media, it is important for a brand to provide insights on issues instead of providing links, which are less personal (Stauffer, 2012). It is also important for a MNC public relations practitioner to be familiar with branding (Prindle, 2011). Businesses who utilize social media have the opportunity to integrate the consumer's voice into the heart and soul of the business (Stauffer, 2012). Branding through social media is a great way for a company to monitor consumer feedback quickly. In order for social media branding to be successful, familiarity with social media sites is important (Stauffer, 2012). For example, one must understand how to tweet on Twitter, create hashtags and trending topics, and use social media for the brand's advantage. Yan (2011) gives nine goals for using social media in branding. The first goal is a need to build a sense of belonging with the brand. The second goal is to showcase the brand's morals and standards. The third goal is to encourage two-way communication to promote the brand. The fourth goal is to find and maintain a competitive advantage. The fifth goal is to state the vision behind the brand. The sixth goal is to make sure the customers understand the concept of the brand. The seventh goal is to associate the brand with positive images. The eighth goal is to strengthen the brand's quality. The ninth goal is to build the brand's awareness amongst those who are unfamiliar with the brand. Successful global brands strive to use social media for branding and revenue (Santomier, 2008). These brands are successful because they encourage customers to make the brand a part of their lives (Santomier, 2008).

3. RESEARCH METHOD: THE CASE OF NIKE

The sports brand Nike Inc. is a global brand (Santomier, 2008). Nike is famous for its brand symbol the swoosh (Notaro, 2008). The swoosh was inspired by the Greek goddess Nike (Notaro, 2008). The word Nike represents victory because the goddess Nike was able to fly and run fast. The value of the swoosh is based on the affect Nike has as products are reproduced across various channels (Santomier, 2008). As a result, Nike gains brand loyalty from customers (Santomier, 2008). According to Nike's CEO Phil Knight (Notaro, 2008), the most important thing Nike focuses on is marketing its brand. Nike is leads the world in marketing athletic footwear, athletic apparel, athletic equipment, and athletic accessories (Islam & Deegan, 2010). The Nike brand is sold in over 160 countries around the world (Islam & Deegan, 2010). Since 2004, Nike has utilized the blogosphere to promote their brand (Notaro, 2008).

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Nike's first blogging experience was the Art of Speed campaign which received positive feedback (Notaro, 2008). This study analyzes how Nike, a MNC, uses social media to communicate brand equity. The paper is composed of a textual analysis of forty blogsites that are related to the Nike brand. The blogsites are related to Nike because they are either officially affiliated with Nike Inc. or they are sites that post regularly about the Nike brand.

Table 1: Blogs Analyzed for the Nike Case

Blog Name	Website
366 Days of Kicks	www.366daysofkicks.wordpress.com
ABC News	www.abcnews.go.com/blogs
Air Jordan Blog	www.nike.com/jumpman23/blog
Blogging the Swoosh	www.swooshblog.blogspot.com
Boston Sports Blogs	www.bostonsportsblog.net
Cheap Nike Shoes Blog	www.cheapnikeshoessale.web.com
Cheap Nike Shox Shoes Blog	www.cheapnikeshoxshoes.blogspot.com
City Sports	www.citysportsblog.com
Eastbay Blog	www.blog.eastbay.com
Elbarriomag's Blog	www.elbarriomagsite.wordpress.com
ESPN Blogs	www.espn.go.com/espn/blogs
Foot Locker Unlocked	www.unlocked.footlocker.com/blog
For the Love of Nike	www.fortheloveofnike.com
Global Exchange: Nike Campaign	www.globalexchange.org/fairtrade
Golf Blog	www.golf.com
Jamie pang Blog	www.jamiepang.com/blog
Jay Does It Like NIKE	www.nikejaypark.tumblr.com
Just Do It	www.nike.blogspot.com
Just Do It	www.just-do-it-forever.tumblr.com
Kasutnike.blogspot.com	www.kasutnike.blogspot.com
Kicks Addict	www.kicksaddict.com
Kicks on Fire	www.kicksonfire.com

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Nedsrock.wordpress.com	www.nedsrock.wordpress.com
NG The Blog By and For Fans of Nike Golf	Nation: www.ngnation.com
Nike+	www.nikedev.tumblr.com
Nikeblog.com	www.nikeblog.com
Nike-Fan	www.nike-fan.tumblr.com
Nike Insider	www.insider.nike.com/us
Nike Makers	www.nikemakers.tumblr.com
Nike Outlet Online	www.nikeoutletonline.wordpress.com
Nikes and Stilettos	www.nikesandstilettos.wordpress.com
Rack Room Blog	www.rackroomshoes.com/blog
Sneaker Files	www.sneakerfiles.com
Sole Collector	www.solecollector.com
Stylesight	www.blog.stylesight.com
T Magazine Blog	www.tmagazine.blogs.nytimes.com
Wall Street Journal	www.blogs.wsj.com
Yahoo Sports	www.sports.yahoo.com/blogs

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YouNoKicks: For the True Sneaker Head	www.younokicks.ning.com
Zappos Blogs	www.blogs.zappos.com/tags/nike
TOTAL BLOGS	40

4. RESEARCH FINDINGS

The textual analysis of the forty blogs that are related to the Nike brand show that there are more blogs that are not affiliated with Nike than blogsites that are officially affiliated with Nike. The blogs are managed by different people from different cultures. Amongst the blogs that are not affiliated with Nike are blogs that are managed by customers, other brands associated with Nike, and news outlets. The blogs are supported by various blogsites. Some of the blogsites are hosted by sites such as Wordpress, Blogger, and Tumblr. The most common theme shown amongst the blogs is footwear. Other themes were athletic apparel, press releases from Nike, Inc., business related information, endorsements, advertising, and race events. Another common feature found amongst all of the blogs was photos of Nike products. The swoosh is not mentioned in the blogs, but it is seen. As a symbol, it is featured on all Nike products and seen on many of the blogs that have photos of Nike products.

Table 2: Blogs Analyzed That Are Officially Affiliated With Nike for the Nike Case

Blog Affiliation	Number of Blogs Analyzed
Affiliated With Nike	2
Not Affiliated With Nike	38
TOTAL BLOGS	40

Table 3: Blog Host Sites Analyzed for the Nike Case

Blog Host Sites	Number of Blogs Analyzed
Blogger	5
Tumblr	5
Wordpress	5
Other	25
TOTAL BLOGS	40

The textual analysis also analyzes how Nike uses social media to communicate brand equity. Nike uses many social media platforms such as Facebook, Twitter, and a blog named Nike Insider

(www.insider.nike.com/us). Nike uses its primary official blog, Nike Insider, for marketing campaigns and advertising. The blog advertises Nike products, especially Nike's new product releases. There is even a New Release Calendar that viewers are able to see on the blog. While on the blogsite, viewers are able to search products by category. The categories are clothing, gear, and shoes. The viewers are also able to search by sport. The sports featured on the blog are action sports, baseball, basketball, football, golf, Jordan, NIKEiD, running, skateboarding, soccer, sportswear, surfing, tennis, and training. Viewers are also able to search by tags that posts have attached to them. Some examples of tags are Air Force 1, Air Max, Free Run+, Jordan, Kevin Durant, Kobe, LeBron, Nike+, and Nike Zoom. On the Nike Insider blog, viewers are able to communicate and share information on the blog through email the use of social other social media sites. The social media platforms that can be used to share information are Facebook, Twitter, LinkedIn, Wordpress, Tumblr, MySpace, Pinterest, Google+, and Blogger. In addition to sharing information on other social media platforms, the Nike Insider blog connects other social media platforms to the blogsite by encouraging viewers to interact with Nike's other social media platforms. Throughout the blog, Nike encourages customers to like the brand on Facebook, follow the brand on Twitter, Tweet about the brand on Twitter, and sign up to receive newsletters by email.

This research shows that social media helps promote Nike's brand awareness. This proves that the company is using social media successfully. It also proves that Nike is committed to the customers who support the brand. Nike is able to handle crisis efficiently because the company uses social media. Through the use of social media, the Nike brand has been strengthened through awareness; thus, more people are associated with the brand and more people are loyal to the brand. By strengthening brand awareness, brand association, and brand loyalty, Nike has strengthened the brand equity. Nike's brand equity has been strengthened because customers are able to develop a personal connection between themselves and the brand, customers are able to learn more about the brand, and customers are able to promote the brand. Nike's use of the blogosphere enables two-way communication between the brand and customers. As a result, a personal relationship is formal between the brand and the customers, and the customers are more willing to show brand loyalty towards Nike. Some brand loyalty is shown by customers through the creation of blogs. These blogs also promote brand equity for Nike. Nike's use of the blogosphere allows the company to communicate brand equity.

5. FUTURE RESEARCH

There is additional research that can be performed on this topic in the future. The first suggestion for research is a content analysis on how Nike uses social media to communicate brand equity. The content analysis would measure specific content on each of the blogs. For example, there could be an analysis of how many themes are used in each blog and how often the themes are posted to the blog. The content analysis could measure the content in the blog posts to see if the content is negative or positive. The second suggestion for research is to perform research on Nike's other social media platforms and compare those platforms to Nike's blogging platform. The third suggestion for research is to perform research on other MNCs and analyze the various social media platforms that are used by the other MNCs. The analysis could be compared to this study on Nike.

6. CONCLUSION

In conclusion, MNCs use social media to communicate brand equity. The use of social media can harm or strengthen a brand depending on how the company uses social media. Examples of social media are Facebook, Twitter, LinkedIn, YouTube, and blogsites. Examples of blogsites are Wordpress, Blogger, and Tumblr. An example of a MNC that has used social media successfully is Nike. Nike utilizes many social media platforms, but this study specifically analyzes the use of the blogosphere. Nike connects

its other social media platforms to the primary blog, Nike Insider. Nike Insider has been a success because the consumer's needs are put first. Consumers are able to share information they find on Nike Insider in numerous ways. The majority of the blogs in this study that are not officially affiliated with Nike, Inc. have posts about Nike's athletic footwear. Nike, therefore, emphasizes athletic footwear on Nike Insider. Such a strategy shows how Nike appreciates brand loyalty from consumers. Nike advertises products on Nike Insider to promote awareness of the brand, which, in turn, allows the company to inherit more brand loyalty. Nike is also able to handle crises on a personal level through the use of the blog. The blogs in this study that are not officially affiliated with Nike promote brand equity through brand loyalty. As a result, this study shows multiple ways MNCs can use social media to communicate brand equity.

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