Direct and indirect effects of firm generated content on brand sales: an empirical investigation on low-involvement product categories

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Abstract

This study looks at whether firm generated content (FGC) on social media can simultaneously create both social media engagement (SME) and sales in low-involvement product categories. We develop comprehensive models that allow us to estimate the chain of effects set in motion by social media, answering to recent calls for research. We estimate direct and indirect (i.e. mediated by SME) effects of FGC on sales, taking into account different platforms (Facebook vs. Twitter). Results suggest that FGC's direct effects on sales are on average positive for Twitter but negative for Facebook. FGC's effects on SME are generally positive. Regarding indirect effects of SME, it depends on the platform whether this has a positive or negative effect on brand sales. This means that the FGC's direct and indirect effect on sales are contradictory to each other, leading to a Catch-22 situation, which when considering the total effect of FGC results in a small positive or insignificant effect on sale

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