CORPORATE SOCIAL MEDIA USAGE AND EARNINGS MANAGEMENT: EMPIRICAL EVIDENCE FROM THAI LISTED COMPANIES

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ABSTRACT
In the digital era, social media has become a vital communication channel between companies and their stakeholders, including investors and shareholders. Unlike traditional disclosure methods, social media allows for informal, engaging content with relatively lower levels of regulation, potentially affecting how companies manage their public image and financial transparency. This study investigates the relationship between social media usage and earnings management among companies listed on the Stock Exchange of Thailand (SET), considering the unique cultural, regulatory, and ownership structure of the Thai capital market.

By collecting data from the official Facebook, Instagram, and TikTok accounts of listed companies, along with financial information from the SETSMART database for the period 2022–2024, the study analyzes patterns of social media usage and its correlation with earnings management practices. Earnings management is measured using both accrual-based and real-based indicators to capture a comprehensive view of managerial discretion in financial reporting and operational decisions.

The research employs descriptive statistics, correlation analysis, and multiple regression to explore the associations and address potential statistical issues. The objectives are to identify the patterns and frequency of social media activity, examine its relationship with earnings management, and provide recommendations for regulatory oversight to enhance corporate transparency. The findings are expected to contribute to academic understanding, inform policymakers, and support investors in recognizing potential earnings manipulation driven by digital communication strategies.

Keywords: Social Media, Earnings Management, Thailand Capital Market

INTRODUCTION

Currently, social media has become a crucial communication channel between companies and various stakeholders, including investors and shareholders. The nature of information disclosure through such platforms differs from traditional methods as it is often informal, designed to be engaging in order to reach a large audience, and subject to less regulatory control. At the same time, earnings management, which refers to the use of managerial discretion in accounting processes or business transactions to manipulate financial reports for desired outcomes, is a critical issue in corporate governance and capital market transparency. The use of social media as an information channel by companies—targeting users including customers and investors—raises the question of whether executives intend to influence financial performance to align with certain expectations through earnings management. Therefore, this study aims to examine the relationship between social media usage and the tendency toward earnings management among listed companies in the Stock Exchange of Thailand, which is distinct in its cultural context, regulatory environment, and ownership structure compared to other capital markets.

Social Media and Information Disclosure

Studies on the use of social media in corporate communications include research by Blankespoor et al. (2014), who examined the use of Twitter for disseminating information, finding that it enhances investor accessibility and reduces information acquisition costs. Jung et al. (2018) explored the impact on stock prices, revealing that companies using digital platforms tend to attract more investor attention. Shu (2024) provided further evidence that interactive communication between firms and investors through social media improves the informational efficiency of stock prices. Similarly, Kim et al. (2014) showed that corporate social responsibility activities disclosed via social media could impact investor sentiment and stock price crash risk. Hu and Tripathi (2015) demonstrated that social media activity enhances market liquidity by reducing information asymmetry. Qu et al. (2017) found that firms disclosing information via Twitter experience improved market liquidity, underlining social media's role in facilitating more transparent and effective communication with capital markets. These findings indicate that social media plays a significant role in disseminating financial information and influencing investor behavior.

Earnings Management

Earnings management is defined as the use of managerial discretion in financial reporting to achieve desired performance results. The seminal study by Healy and Wahlen (1999) identified key motivations for earnings management, including capital market pressures, financial targets, and executive compensation. Models used to measure earnings management through accruals include The Jones Model (Jones, 1991) and The Modified Jones Model (Dechow et al., 1995), which have gained wide acceptance. Subsequently, Roychowdhury (2006) introduced real earnings management, where managers engage in actual business activities that may harm long-term performance to manipulate earnings. Other studies, such as Cohen and Zarowin (2010), found that firms issuing new equity often engage in both accrual-based and real earnings management to present more favorable financial results. Dechow et al. (2011) found that firms under financial pressure, such as those with strict profit targets or demanding shareholders, are more likely to use accounting techniques to achieve goals.

The Relationship between Social Media Use and Earnings Management

Bozzolan et al. (2015) suggested that firms with tendencies toward earnings management often use social media as a public relations tool to shape their image and attract investor interest. This study integrates the theoretical and empirical perspectives of recent literature on how increased social media disclosure and investor interaction can affect both transparency and potential manipulation in reporting. In particular, findings by Shu (2024) and Qu et al. (2017) suggest that firms more engaged in social media disclosure may experience a reduction in

information asymmetry, which could lower the incentive or ability to engage in earnings management.

In conclusion, previous studies have shown considerable interest in the use of social media for financial information dissemination and its link to earnings management. However, studies focusing specifically on listed companies in the Stock Exchange of Thailand—which is unique in terms of regulations, investor behavior, and capital structure—remain limited. Therefore, this research aims to analyze the relationship between social media usage and earnings management among Thai listed companies, contributing to academic understanding and providing insights for regulatory bodies in policy development.

The objectives of this study are threefold: 1) to examine the patterns and frequency of social media usage by companies listed on the Stock Exchange of Thailand; 2) to analyze the relationship between social media usage and the level of earnings management among these companies; and 3) to propose guidelines for regulating social media use in order to enhance transparency and reduce the tendency for earnings management. The expected contributions of this research include a deeper understanding of how social media usage relates to earnings management practices in the Thai capital market context. The findings will be beneficial to regulatory bodies by offering insights into potential oversight mechanisms, and to investors by helping them recognize signals of earnings manipulation linked to social media activity. Ultimately, this research aims to support the development of more transparent and trustworthy corporate communication practices in the digital era.

RESEARCH METHODOLOGY

This study adopts a quantitative research approach. Data on social media usage will be collected from the official Facebook, Instagram, and TikTok accounts of companies listed on the Stock Exchange of Thailand (SET). Financial data will be obtained from the SETSMART database and then adjusted to identify patterns indicative of earnings management.

The analysis will begin with descriptive statistics to explain the characteristics of the sample group, followed by correlation analysis and multiple regression analysis to explore relationships between variables. Any potential statistical issues will be tested and addressed to ensure the robustness of the findings. The results will then be summarized, along with recommendations for future research and policy implications.

The sample will consist of listed companies on the SET that have official accounts on major social media platforms—Facebook, Instagram, and TikTok. The data collection will cover a period of three years, from 2022 to 2024 (B.E. 2565-2567).

To operationalize the independent variable—corporate social-media usage (SMU)—the study will extract platform-level metrics from each firm's official Facebook, Instagram, and TikTok accounts. Drawing on prior disclosure and investor-relations research — notably Blankespoor et al. (2014), Jung et al. (2018), and Bozzolan et al. (2015)— the following variables will be constructed:

Code	Dimension	Platform-Specific Measures (per firm-year)	Rationale & Key References
POST_FREQ	Output Intensity	Total number of posts uploaded (sum of Facebook posts, IG feeds/reels, TikTok videos)	A higher posting frequency signals proactive disclosure efforts and may reduce information asymmetry (Blankespoor et al., 2014; Shu, 2024; Qu et al., 2017).
ENG_RATE	Stakeholder Engagement	Average engagement = (likes + comments + shares) ÷ followers, averaged across all posts	Engagement reflects reach, user interest, and the credibility of content (Jung et al., 2018; Hu & Tripathi, 2015).
FOLLOW_GR	Audience Size / Growth	Annual % change in total followers/subscribers across all platforms	Follower growth may signal image-building or investor sentiment management (Bozzolan et al., 2015; Kim et al., 2014; Shu, 2024).
SENT_POS	Sentiment Tone	Mean sentiment score of post captions (e.g., via VADER or ThaiSentiment; +1 = very positive, –1 = very negative)	Positive sentiment can reflect impression management, often linked to earnings expectations (Kim et al., 2014; Shu, 2024).
MULTI_PRES	Platform Breadth	Dummy = 1 if firm is active (≥1 post) on ≥2 of the three platforms in year t	Multi-platform presence enhances information diffusion and signals strategic communication efforts (Shu, 2024; Hu & Tripathi, 2015).
IR_POST%	Financial-Disclosure Focus	% of posts containing IR content (e.g., earnings summaries, AGM notices), identified using keyword dictionary	Focus on financial communication shows intentional investor targeting (Blankespoor et al., 2014; Shu, 2024; Qu et al., 2017; Kim et al., 2014).

To quantify the dependent variable — the degree of earnings management (EM) — the study employs both accrual-based and real-activity measures that are widely accepted in contemporary literature. The specific models and their estimation equations to be used with the Thai SET sample are detailed below.

EM Category	Model	Equation	EM Metric
Accrual-based	Modified Jones Model (Dechow, Sloan & Sweeney 1995)	$$\frac{TA_{it}}{A_{i,t-1}} = \alpha_1 \frac{1}{A_{i,t-1}} + \beta_1 \frac{\Delta REV_{it} - \Delta REC_{it}}{A_{i,t-1}} + \beta_2 \frac{PPE_{it}}{A_{i,t-1}} + \varepsilon_{it}$$	Discretionary Accruals (DA)
Real-Activity	Roychowdhury Model (Roychowdhury 2006)	• Abnormal CFO • Abnormal Production Costs • Abnormal Discretionary Expenses	REM Index = (–)Abn CFO + Abn PROD – Abn DISEXP; higher values imply more real-activity manipulation.
Composite Measure	EM-Score / F-Score (Cohen, Dey & Lys 2008; Dechow et al. 2011)	Principal-components analysis (PCA) or standard-score aggregation of DA, Abn CFO, Abn PROD, Abn DISEXP.	Unified EM-Score capturing both accrual and real activities.

CONCLUSION

This study sets out to explore the relationship between social media usage and earnings management among companies listed on the Stock Exchange of Thailand. With the increasing role of digital platforms such as Facebook, Instagram, and TikTok in corporate communication, it is crucial to understand how these informal channels may influence financial reporting behaviors. By applying a quantitative research approach and analyzing financial data alongside social media activity over a three-year period (2022-2024), the study aims to uncover whether social media serves merely as a tool for transparency or also as a means to shape investor perception through earnings management. The findings are expected to offer valuable insights for regulators, investors, and academics, supporting the development of policies that promote financial transparency and integrity in the digital era. The results of this study will be analyzed and summarized in the subsequent stage.

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Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

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