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# The role of Instagram social media marketing activities and brand equity towards airlines customer response

**Adhi Prasetio[a*], Deimas Aulia Rahman[a], Fetty Poerwita Sary[a], Rina D. Pasaribu[a] and Moh. Riza Sutjipto[a]**

[a]Faculty of Economics & Business, Telkom University, Jl. Telekomunikasi No 1, Bandung, Indonesia

| CHRONICLE | ABSTRACT |
|---|---|
| | Recent research on Social Media Marketing Activities (SMMA) in the airline industry emphasizes on areas of brand equity, but some research has looked into the function of brand equity in determining the impact of SMMAs on customers. This study aims to find out how service users and followers of Airline's Instagram social media profiles respond to SMMA, brand awareness, brand image, e-WOM and commitment. The data collection method in this study was done by distributing questionnaires to respondents as many as 386 service users and followers of the airline on Instagram social media. This study used Partial Least Square Structural Equation Model (PLS-SEM) to analyze data. Based on hypothesis testing, this study shows that SMMA has a significant positive effect on brand awareness and brand image. Furthermore, this study also reveals that brand awareness and brand image have significant positive effects on e-WOM and Batik Air airline commitment.<br> |

## 1. Introduction

Businesses are using social media for various marketing activities such as advertising, connecting to their customers through engagement and customer relationship management, and interactions internally among staff. Social media gains popularity since it becomes increasingly convenient and necessary. Those reasons attract marketers to concern themselves more and pay close attention to social media-based marketing strategy. Despite the growing interest in social media marketing activities usage in various industries and the academic research on social media marketing activities (SMMAs), most research has focused on the impact of SMMA on customer satisfaction or behavioral studies (Sano, 2015). In recent research on SMMA, one of the key emphasis areas has been the relevance of brand equity. However, few researchers have looked at the role of brand equity in determining the impact of SMMAs on customers (Godey et al., 2016; Kim & Ko, 2012; Seo & Park, 2018). Even though Seo and Park (2018) investigated the relationship among social media marketing activities, brand equity and customer response, their study was limited to Korean countries and needed a broader sample to extend the model generalization. According to research conducted by the Hootsuite company in 2021, there are 170 million active social media users in Indonesia with a penetration of 61.8% of the total population of 274.9 million people. This means that more than half of the population actively uses social media. This data makes Indonesia as one good location for (Seo & Park, 2018) research extension. The airline sector in Indonesia uses social media for their marketing activity as well. In 2021, some notable Indonesian airline carriers showed their significant active engagement in Instagram as shown in Table 1, sorted by their average comments per post.

**Table 1**
Indonesian Airline Instagram Engagement

| Airline | Avg.Engagement | Avg.Likes | Avg.Comments |
|---|---|---|---|
| Batik Air | 1,537 | 1,358 | 179 / post |
| Garuda Indonesia | 6,532 | 6,460 | 72 / post |
| AirAsia | 1,731 | 1,693 | 38 / post |
| LionAir | 1,748 | 1,745 | 3 / post |

Source (Analisa.io, 2021)

As shown in Table 1, even though Batik Air has the highest average comments per post, it does not reflect on their brand performance. Batik Air only achieves 5th rank in Top Brand Airline Index in 2021 (Top Brand Award, 2021). This raised questions whether the model proposed by Seo and Park is still relevant for countries like Indonesia, especially Batik Air airline. Additionally, we found no research on the impact of SMMAs towards customer response have been conducted in Indonesia to our knowledge. This study aims to broaden the generalization of Seo & Park's model. This study aims to find out how service users and followers of Airline's Instagram social media profiles respond to SMMA, brand (either awareness and image), electronic Word-of-Mouth and commitment in Indonesian context using the case of Batik Air airlines.

## 2. Literature Review

Social media is an internet-based application (either mobile or web application) that uses web 2.0 technology and allows user generated content and exchange. Social media has several categories such as social networks, blogs, wikis, microblog sites, etc. Currently, social media platforms that are often used by the wider community are Facebook, Twitter, Youtube, and Instagram (Pham & Gammoh, 2015). Along with the development of information technology and science, there is the use of marketing activities on social media to be an effective channel and can be connected to wide networks and connections (Kavisekera & Abeysekera, 2016). Marketers can use social media for various goals, one of which is to strengthen brands and even increase sales (Laudon & Traver, 2017). When a marketer uses social media to enhance a brand, it generally means increasing brand equity. Brand equity is the value given by consumers to the brand above and beyond the functional characteristics of the product. Brand equity is almost close to or identical to brand reputation, but brand equity implies economic value which means that if the brand has a "positive" reputation it has the potential for high brand equity value, whereas if it is an unknown brand or weak brand equity then a negative reputation. The output of brand equity can increase market share, decrease price sensitivity by consumers, and increase marketing effectiveness (Mothersbaugh et al., 2020). Brand equity is a differential effect in the form of knowledge and introduction of brands and consumer responses to a product and its marketing as well as benchmarks related to the ability to capture consumer preferences and loyalty. A brand has positive brand equity if consumers can react better to the brand than other brands on the same product specifications and vice versa (Kotler & Armstrong, 2018) brand equity affects brand value (Aaker, 2006). Brand equity concepts are divided into brand awareness and brand image as benchmarks for brands that are carved by consumer memory as unique added values and become differentiating values for other brands. Brand equity is a combination of several brand properties that form a value (Seo & Park, 2018). Social media is a powerful tool for communicating product value. Research conducted by previous researchers on the SMMA variable on brand awareness in the Korean airline industry research object states that the trendiness dimension has a greater positive influence on brand awareness so that social media marketing activities can be the initial steps to attract brand awareness among consumers (Seo & Park, 2018). In contrast to the previous research on the object of the e-commerce industry, Tokopedia stated that the informativeness dimension in its SMMA was able to increase brand awareness in the minds of consumers who could directly identify, recognize, and describe the company's identity (Adriana & Widodo, 2019). Other studies investigating Lazada.co also showed that the entertainment dimension, and the trendiness of the SMMA variable had no effect on brand awareness and on other dimensions, namely interaction, it had no effect on brand awareness as well (Ramadhani et al., 2019). Similar research also investigates the influence of SMMA on brand image, and found that the dimensions of SMMA, namely interaction, and trendiness, had no effect on brand image (Ramadhani et al., 2019). On the other hand, other research on the object of research on luxury products showed different results. Overall dimensions of the variable SMMA found that it has effects on brand image, and thus can be useful to improve branding goals (Godey et al., 2016). There are several dimensions to customer response. In this study, it is divided into two, namely behavioral and emotional responses. In identifying variables mediated by brand equity variables on airlines, Electronic Word-of-Mouth (e-WOM) is a behavioral response and commitment. as an emotional response (Seo & Park, 2018).

E-WOM is a marketing tool that is very influential for consumers purchase intention (Bansal & Voyer, 2000; Chen et al., 2015; Fan & Miao, 2012; Jalilvand & Samiei, 2012; Melinda et al., 2018; Prasetio et al., 2017; Sa'ait et al., 2016; Utami et al., 2020). Before purchasing products or using services, consumers always carry out the stage of searching for information related to products and services that can be obtained online through uploads and consumer comments. Post-purchase users who have provided a review of information or preferences regarding these products and services to relieve anxiety (E.-J. Seo & Park, 2018). The internet is changing the way consumers behave in searching for information online, interacting online, and adopting information from e-WOM. E-WOM has become a marketing method in communication, consumers can easily interact socially online to exchange information related to a product or service (Arumugam & Omar, 2016). One example of implementing a word-of-mouth promotion strategy is using communication channels on social media. Word-of-mouth (WOM) is a powerful marketing tool because word-of-mouth is a driving force for effective and efficient marketing promotion tools for sales. Various big brands that have been built due to the word-of-mouth method (Kotler & Armstrong, 2018).

Commitment is a response and a desire made by consumers to continuously maintain an interaction and relationship with the brand and in the internal psychological conditions that are assumed to be related to other people or objects. Consumers who have a commitment to a product and service brand are categorized as more important by the company because these consumers have shared values and resources with the company (Seo & Park, 2018).

Consumers who have a high level of commitment and have been committed to a brand can be a source of information and change attitudes and can defend and fight against negative information. Consumers who have a lower commitment to the brand are expected to be able to resist the negative information that is spread, but the contribution is considered lower than consumers who already have a high level of commitment (Ahluwalia et al., 2000).

The research result found that brand equity influences e-WOM (Seo & Kim, 2003). Meanwhile, previous research stated that the brand image variable has a significant effect on the e-WOM variable. Therefore, brand image can be a development in the company's brand image by influencing emotionally through interactions and communications that are carried out online or digitally by word of mouth or e-WOM (Seo & Park, 2018).

Even though brand awareness as a part of brand equity influences e-WOM (Seo & Kim, 2003), some researchers found contradictory results. Brand awareness relationship with e-WOM found in research on the Tokopedia e-commerce object which states that the brand awareness has no effect on e-WOM (Adriana & Widodo, 2019). Other research also found similar results with the research object of the Eiger clothing product. The result shows that the brand awareness variable has no effect on e-WOM (Laelian & Widodo, 2021). Other researchers mention similar results as well on the airline industry (Seo & Park, 2018).

Previous research found that variable brand image had a significant effect on e-WOM (Godey et al., 2016). It can be identified that building a good brand image in the company can be the effect of word-of-mouth information sources that are carried out online or digitally by consumers (Laelian & Widodo, 2021). Brand equity affected commitment (Zhang et al., 2014). Previous researchers with the object of research on luxury goods stated that the brand image variable had a positive and significant effect on commitment (Godey et al., 2016). Other researchers revealed that in finding the influence of brand image on commitment, the research object used was South Korean airlines, which results in line with previous research that brand image had a positive and significant effect on commitment. Brand image can be a reference for consumers in dedicating themselves and binding companies with consumers (Seo & Park, 2018). Brand awareness has a positive influence on commitment, thus confirming that the object of research on airlines with high brand awareness can be an effort to increase awareness in the minds of consumers and be a consideration for increasing and developing customers' commitment (Seo & Park, 2018). It is reinforced by other researchers which the object of research in Eiger clothing industry, stated that brand awareness can be an important factor for the company and one of the efforts to increase commitment to customers to be loyal to the company by being able to recognize the brand in the company and be embedded in the minds of consumers (Laelian & Widodo, 2021).
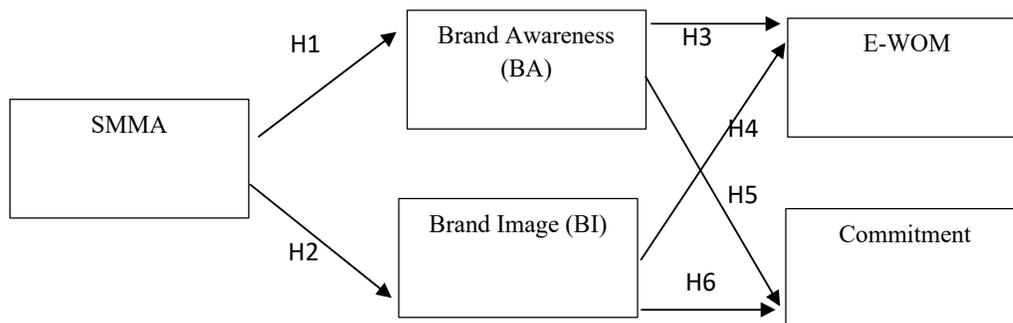


**Fig. 1.** Research Framework

**Research Hypotheses**

H1:        SMMA have a positive influence on BA.
H2:        SMMA have a positive influence on BI.
H3:        BA has a positive influence on e-WOM.
H4:        BI has a positive influence on e-WOM.
H5:        BA has a positive influence on commitment.
H6:        BI has a positive influence on commitment.

**3. Methodology**

The sample technique used in this study was purposive sampling and using Batik Air users that were exposed to Batik Air's Instagram account marketing activities. Measurement tools were adapted from (Seo & Park, 2018). Questionnaires were distributed online and analyzed using PLS-SEM. Prior to hypothesis testing, we did measurement model assessment. Hypothesis is accepted using one tail t value criteria of 1.64.

## 4. Results

The number of questionnaires that meet the requirements is 385. The next process is to test the measurement model. The test results show that the measuring instrument has met the criteria of discriminant validity, convergent validity and reliability.

The results of hypothesis testing are in Table 2.

**Table 2**
Hypotheses Testing Results

| Hypothesis | Coefficient | T value | Result |
|---|---|---|---|
| H1 | 0,710 | 21,285 | H1 Accepted |
| H2 | 0,731 | 34,240 | H2 Accepted |
| H3 | 0,299 | 5,413 | H3 Accepted |
| H4 | 0,544 | 8,542 | H4 Accepted |
| H5 | 0,447 | 11,134 | H5 Accepted |
| H6 | 0,379 | 7,205 | H6 Accepted |

It is known that the overall hypothesis in this study is in accordance with the processing using SmartPLS bootstrapping in table 4.16 it can be concluded that H1, H2, H3, H4, H5, and H6 are accepted because the output is in accordance with the hypothesis acceptance t-value criteria of 1.64.
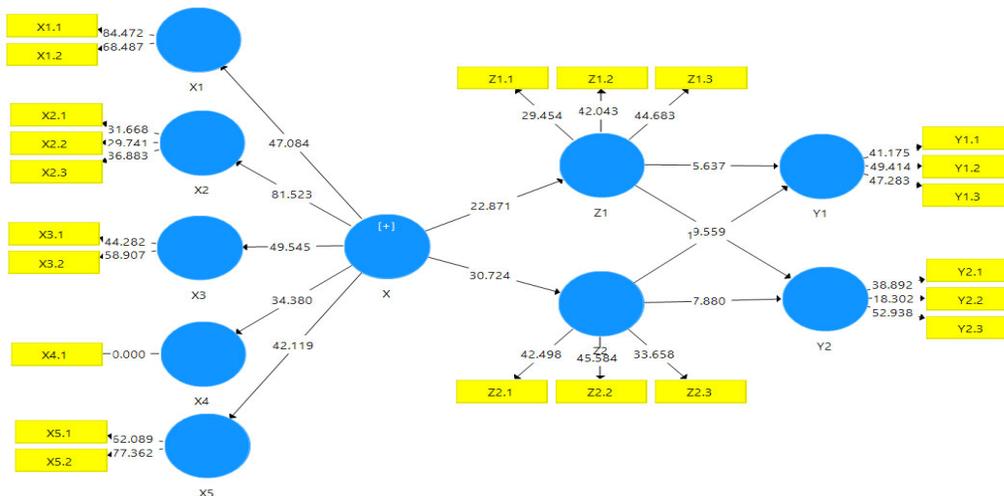


**Fig. 2.** Structural Model Result

Based on the results of this study, these results are in line with previous research which states that SMMA have a positive influence on brand awareness (Bilgin, 2018; Godey et al., 2016; Laelian & Widodo, 2021; Mehr et al., 2018; E.-J. Seo & Park, 2018). Social Media Marketing Activities (SMMA) with innovative styles and perspectives will be able to help create substantial brand awareness and opportunities to get a good response from customers (Akgun, 2020).

SMMA can be the first step to attract brand awareness among consumers. Social media marketing activities (SMMA) have a positive effect on brand awareness and SMMA are a precedent that contributes to airline brand awareness (Seo & Park, 2018). Based on the results of this study, these results are in line with previous research which states that SMMA have a positive influence on brand image (Bilgin, 2018; Godey et al., 2016; Laelian & Widodo, 2021; Mehr et al., 2018; E.-J. Seo & Park, 2018).

SMMA is a tool to produce a positive effect on brand image because it can contribute to the brand value of airlines. Airlines must be able to encourage customers to use social media more actively by developing SMMA in a more aggressive direction (Seo & Park, 2018). The current marketing strategy can utilize social media. In this study, it shows that SMMA has a significant positive effect on brand image (Godey et al., 2016).

This study result contradicts previous research which said that there was the research on the Tokopedia e-commerce object which stated that the brand awareness variable had no effect on E-WOM, so that brand awareness had no meaning for consumers to voluntarily interact by word of mouth through online media with consumer (Adriana & Widodo, 2019). In line

with the previously mentioned research on the research object of the Eiger clothing industry, it showed that the brand awareness variable had no effect on e-WOM (Laelian & Widodo, 2021). In previous research with the same industry, South Korean airlines stated that brand awareness did not have an important role in increasing word of mouth communication for consumers (Seo & Park, 2018).

In previous research, the brand image variable had a significant effect on the e-WOM variable. Therefore, the brand image could be a company development by influencing emotion and interacting either through digital word of mouth or e-WOM (Seo & Park, 2018). Other research confirmed the results of this study by saying that building a good brand image in the company can be the effect of word-of-mouth information sources that are carried out online or digitally by consumers (Laelian & Widodo, 2021).

In line with the results of the study, other researchers emphasized that the object of research was airlines with high brand awareness could be considered as an effort to increase and to develop customer commitment (E.-J. Seo & Park, 2018). In line with the statement above, other researchers stated that brand awareness could be an important factor for companies and one of the efforts to increase commitment to customers to be loyal to the company by being able to recognize the brand in the company and be embedded in the minds of consumers (Laelian & Widodo, 2021).

In line with the results of research, according to previous researchers, it was confirmed that in the luxury goods industry, brand image had a positive effect on commitment (Godey et al., 2016). Other researchers emphasized that brand image was a factor that affected product commitment or the company itself (Mehr et al., 2018). Brand image could be a reference for consumers in dedicating themselves and binding the company with consumers (Seo & Park, 2018).

An interesting finding in this study is the difference in the effect of brand awareness on e-WOM compared to the model testing conducted by Seo and Park in Korea. In this study, brand awareness turned out to have a significant effect on e-WOM. As part of brand equity, brand awareness influences e-WOM. Without brand awareness, social media users will not be interested and actively participate in conversations about a brand.

## 6. Conclusion

The results have shown that all hypotheses are accepted. This indicates that the model offered by Seo and Park (2018) with Korean airlines as the object study, can be used to explain customer response in Batik Air and Indonesian airlines. Further research still needs to be done to expand to other airlines in Indonesia and several developing countries with similar characteristics to improve the generalizability of the model that has been tested.

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