



A study on the effects of social media marketing activities on brand equity and customer response in the airline industry



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ABSTRACT

This study analyzes the effects of social media marketing activities (SMMAs) on brand equity and customer response in the airline industry. A survey was conducted with a total of 302 passengers who used social media managed by airlines, and the collected data were analyzed via structural equation modeling. The results showed that trendiness was the most important SMMA component, and airline SMMAs had significant effects on brand awareness and brand image. In addition, the results demonstrated that brand awareness significantly affected commitment and that brand image significantly affected online word-of-mouth and commitment. It is expected that the results of this study may be used as fundamental data in the development of airline SMMA strategies, particularly by investigating the relative importance of each SMMA component and analyzing the effects of SMMAs.

1. Introduction

In our world today, several billion people are connected in real time. Social media is making traditional methods of finding information and purchasing items obsolete, and as such, new social and economic consequences are being generated. Social media is becoming both more convenient and more important, leading many companies to use it in external promotions, marketing, customer management, and as an internal channel for employee communications. Social media-based marketing has received considerable attention in part due to the fact that the recall rates for social media advertisements are more than 55% higher than those for conventional advertisements, while a 2013 report determined that social media influenced 90% of all purchases (marketingcloud.com, 2013). These trends are also found in the airline industry where Qatar Airways has been liked by more than 12 million people on Facebook. In South Korea, Jeju Air, Asiana Airlines, and Korean Air have received likes from 0.7, 0.54, and 0.38 million people, respectively. It is a little lower than that of the world's leading airlines, but such fans are growing fast. Passenger use of airline social media is expected to increase continuously, and as such, the proportion and importance of social media in the marketing activities within the airline industry are expected to be enhanced markedly.

Despite the emerging importance of social media marketing in various fields and the large number of studies on social media marketing activities (SMMAs), most studies have primarily focused on the effects of SMMAs on customer satisfaction or behavioral intention

(Sano, 2015). The importance of brand equity has been one of the main focal points in recent studies on SMMAs. However, few studies have explored the role of brand equity when investigating the impact of SMMAs on customers (Luis et al, 2012; Kim, 2012; Kim and Ko, 2012; Bruno et al., 2016).

When a video showing United Airlines forcibly removing a passenger from an airplane went viral, the company's stock price fell and a boycott campaign threatened United's sales. This incident demonstrated the importance of social media in the airline industry, and it also emphasized the urgency of research on the effects of airline SMMAs. To our knowledge, however, no studies on the effects of SMMAs on the behavior and brand have been carried out. The purpose of this study, therefore, is to identify the components of airline SMMAs and to investigate the effects of these elements on customers through brand equity.

2. Theoretical background

2.1. Social media marketing activities (SMMAs)

Social media is defined as an online application program, platform, or media that eases interactions, joint work, or content sharing (Richter and Koch, 2007). Academic and empirical studies on social media have been conducted since this term was coined in June 2004 at a BlogOn conference by Chris Shipley, a global research director and founder of Guidewire Group, which specializes in marketing consulting for IT

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