BRAND EQUITY AND CUSTOMER SATISFACTION: THE MODERATING INFLUENCE OF SOCIAL MEDIA ADVERTISING

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ABSTRACT

As a result of the Internet revolution, business processes are getting more complex and flexible. There is no doubt that technology and digital media utilization are increasingly becoming essential components of effective business strategies. In the hospitality business, using the Internet to sell destinations, resorts, hotels, experiences, etc. and engaging with customers, is currently typical. Adopting a survey research method, this study examined the influence of digital advertising on the effect of brand equity on satisfaction of customer of Crown City hotel in Ogun State. Between July and August 2023, 353 randomly selected social media followers of Crown City hotel were given a self-administered questionnaire using Google form. The frequency distribution, percentages, and regression analysis results revealed that credibility is important in retaining loyal clients in the hotel industry. As a result, it is advised that firms in hospitality sector should focus on their reputation, perceived value, and environmental factors to boost customer satisfaction.
Keywords: Brand equity, customer satisfaction, digital media utilization social media advertising

INTRODUCTION

Digital advertising has emerged as new medium to reach target audiences. This development is in response to advances in electronic and other technologies. Search Engine Optimization (SEO), social networks, mobile devices, and videos are all part of the approach (Khan, 2021). Digital advertising confer competitive advantage on firms and often increase a country's prominence on the global stage by attracting tourists all around the world.

Crown City hotels is an hospitality business in Ogun State Nigeria, whose rapid expansion reflects Nigeria's improving economic status. It is not uncommon for people to travel to remote, attractive areas just to spend a few days at Crown City hotel (Oyeinfie, 2020). A brand is defined as "any expression, identity, sign, image, or other form of representation that differentiates and isolates one item or service from another". It is the sum of a customer's mixed feelings with an item as a result of its title, sign, image, and/or other identifying traits, and this connection is generated once a product is given a name, term, image or logo (Aaker & Joachimsthaler, 2009).

Numerous studies have underlined the necessity of developing an excellent image and making tourists appear valued in order to flourish in the competitive hospitality industry (Amin et al., 2013). The longevity of every brand, irrespective of sector or market, is dependent on the concept of brand equity (Engeset et al., 2016). For example, if a hotel has a strong brand equity, it can save money on advertising because customers will be keen on obtaining their services anyway.

Loyal customers lower a company's requirement to sell (Prasad & Dev, 2000); and suggestions for improvement from such devoted customers enhance companies' revenues (Zaman et al., 2016). Building brand equity is generally, an essential method of distinguishing a business from competitors, and it is critical when it comes to intangible resources, especially for businesses that engage with a large consumer base.

Social media issues are becoming just as likely to be addressed in conference rooms as they are among friends. Companies can hardly control how their brands are perceived by customers (Lisa, 2015). It is indisputable that social media has grown at a breakneck pace. Online communities enable discussion, creativity, and extensive debate on any topic imaginable. Users almost usually express their thoughts on the services they have used and

their encounters with other users. In addition, the global reach of social media opens businesses to a large audience, and businesses are concentrating more intensively lately on social media sites with the explicit purpose of building strong, sustainable brands.

Hotels, like other businesses, can use social media as a communication tool to engage in direct dialogue with customers (Rana, 2011). Organizations are more vulnerable today than in the past because customers can instantly transmit their comments to the entire world (Qualman, 2009). Using a number of social media channels, users can now contact companies and other institutions at any time of their choosing. These initiatives may benefit tour operators and resorts that are competent at harnessing social media. In light of the objectives, how does brand equity relate to customer satisfaction need to be answered determined. According to Jovago (2015) the ease of purchasing a hotel stay online is helping hotels to attract a large number of guests. Tourists in were most interested in booking stays at three-star hotels.

Several local and international studies have been conducted to investigate the impact of social media on the expansion of a company's reputation. Rana (2011) investigated the impact of social media on the value of magazine brands. According to the findings, publicizing a business on social media have significant impact on brand equity. Online communities, interaction, and media sharing were also found to have significant impact on brand equity. According to the research, social media use affects brand equity in four ways: it creates a new direct communication channel, it increases the exposure of an organization's brand, it makes it easier for clientele to get concerned, and it aids in the management of solid ties between a business and its clients.

Although extensive study has been conducted on resort branding (see Ryu et al., 2012), the influence of social media advertising, which is clearly more popular in new markets, in promoting customer purchases gets significantly less focus. As a result, this investigation looks into the influence of social media advertising on the connection between brand equity and customer loyalty and to develop a paradigm that explains how social media advertising regulates the impacts of brand equity on customer satistafaction.

Crown City hotel in Ogun state is the subject of this research. Crown City was built on the principle that everything may be improved to the degree that it improves an individual's sense of satisfaction and enjoyment. The meteoric growth of the hospitality industry has led to in greater focus on the quality of guest experiences and improving consumer views' of hotel's surroundings, worth and image (Hu et al., 2009); the need to build brand equity has increased for hoteliers. Brand equity considers the entire range of consumers' perceptions of a brand, including behaviors, demand and experiences associated with a product. The aim of this study is to determine the extent to which brand equity affects customer satisfaction, as well as the moderating influence of social media advertising on effect of brand equity affects customer satisfaction.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Brand Equity
Strong brands facilitate the achievement of marketing's cardinal objective of creating value for customers and win customers' preference through the assurance of value (Ateke & Nwulu, 2017). A strong brand is thus an essential business asset that provides an effective way to arrest consumers' attention, and confers benefits on their owners through brand equity. Brand equity is "the sum of those intangible resources that clients, distributors, and the parent firm bring to the brand in the shape of choice, commitment, and involvement" (Leuthesser, 1998). It is "the extra worth conferred upon goods and services" (Kotler & Lee, 2009).

Brand equity is also the estimated worth of a brand by consumers, which includes the worth of the brand's title, associations, and relationship with the client. Due to its competitive advantage, the company gains greater brand equity. Creating a strong brand identity is a vital move toward diversifying into novel offerings and legal options. A strong brand survive challenges, a decline in recognition, or a change in client choice (Yank & Chan, 2012; Farquhar, 1989). It has the potential to increase a company's value in a minimum a half-dozen avenues by generating extra revenue.

A strong brand therefore, improve marketing performance (Ateke & Nwulu, 2017) by enticing potential clients and reconnecting previous ones. Second, the final four factors of brand equity have a chance to increase brand

loyalty. Third, brand ownership typically leads to increased profitability since it allows for high prices and eliminates the demand for promotions. In four ways, the worth of a brand can serve as an avenue for additional advancement. The brand equity of a corporation can be used as a means of negotiation with its delivery channel. Finally, a company's brand equity resources gives it an edge that can significantly hamper competitors' ability to break into the market (Aaker, 1991).

Customer Satisfaction

Customer satisfaction represent assessment by customers, of the value they receive from the purchase and consumption of products (Amangala & Ateke, 2018). It also describe the value perceived by customers, as a result of consuming a product. Agarwa et al. (2007) suggests that customers satisfaction is influenced by ideal, expected and promised standards, as well as perceived value of competitor's offerings. Customer satisfaction is a major goal of businesses because it enhance customer retention, loyalty and improves firms' market share (Amangala & Ateke, 2018).

Kotler and Keller (2006) opine that a significant and sensitive link exist between customer satisfaction and devotion. Dissatisfied customers shun the company and disseminate negative news about its product. Over the last two decades, businesses of all sizes have realized the importance of keeping customers pleased and devoted. Organizations prioritize client happiness because it boost their competitiveness, resulting in more revenue and greater market share, alongside additional advantages such as lower goods and service costs, reduced risk, and less money related to getting potential clients.

Satisfied customers are more inclined to purchase again, disseminate the word, and stay committed to a business. Customer happiness has long been recognized as the single most essential factor in retaining recurring business. Customers who are satisfied are more inclined to purchase more or return to the firm. Consumers in this category will talk about what they liked or dislike like with the goods and services offered by the business (Bayraktar et al., 2012). Customers that are completely satisfied with a brand are prone to make further purchases (Kotler & Armstrong, 2016). Firms therefore make efforts to satisfy their customers to enable them maintain their market share and revenue in the midst of stiff rivalry, and also minimize resources spent on advertising to attract new customers (Kuo et al., 2013).

Social Media Advertising

Social media is a virtual environment that enables people to meet and interact (sending and receiving information) (Ateke & Lawson, 2020), and utilized by firms to disseminate information, and interact and and engage with customers (Cohen et al., 2009). Customer relationships and the encounters they have when buying in a physical store are what drive recurrent sales and referrals. According to Bedell (2010), social media, on the other hand, is not an arena to go or create connections with clients or companies; instead, it is a connection conduit between the two. The advancement of electronic communication has resulted in the growth of social media. Organizations can use it to capitalize on technological breakthroughs and retain ties.

Businesses use digital technologies such as email, phone, and virtual meeting sites to enhance interaction with customers, resulting in increased productivity. Such social media sites include Lunerstorm, MySpace, Facebook, YouTube, Twitter, and others (Edosomwan et al., 2011). Over time, social media bring immeasurable advantages to organizations (Hollier et al., 2009). Favorable details about the firm may be shared through social media in order to impact. This will not eliminate any disapproval of the corporation, but it will reduce it to the lowest possible level. Businesses use social media to boost their visibility and create an avenue for communication with clients and other interested parties (Kukulska-Hulme, 2010).

Brand Equity and Customer Satisfaction

A fundamental comprehension of the term "brand" is a necessary first step in brand management. Developing, producing, and maintaining a promise are all part of the procedure (Greenwald & Pratkanis, 2019). It comprises defining the brand's variables, creating a unique personality for the brand, and executing on its personality. Customers will be more committed to a firm if it invest in building a great brand. A compelling brand name distinguishes a firm's products from the competition. With a strong brand, the firm can be confident that it will be portrayed favorably. In view of this, we hypothesize that:

Ho_1: Brand equity has no significant effect on customer satisfaction.

The influence of Social Media Advertising on Brand Equity and Customer Satisfaction

Customers' perceptions of a brand's quality are referred to as "experienced performance." This is one of the basic dimensions of the brand equity (Aaker, 1991). There is a link between asking price and perceived worth. A popular brand's price will invariably be high. Consumers begin to associate high prices with high levels of quality. A private label product's quality is inextricably tied to the other aspects that impact a consumer's decision to purchase it. Additionally, consumers are more inclined to purchase a brand if they have a favourable stereotype of it. Thus, we hypothesize that:

Ho₂: Social media advertising has no significant influence on the effect of brand equity on customer satisfaction.
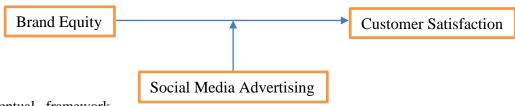

Fig. 1: Conceptual   framework
Source: Research data, 2023

METHODOLOGY

This study adopted a descriptive approach and was conducted in Ogun State. The study collected primary data using questionnaire. The study's population consists quests of Crown City hotel in Ogun State, Nigeria. The sample size was determined using a simple random sampling procedure. The Yamane method was used to calculate the sample size of 353 participants for the study after extensive screening processes were carried out throughout the study area. The instrument for primary data collection was tested for validity and reliability using confirmatory factor analysis and Cronbach's Alpha test of reliability. Table 1 and Table 2 provides a summary of the results of test of validity and test of reliability.

Table 1: Summary of Results of Test of Validity (Confirmatory Factor Analysis)

S/N	Variables	No. of Items	AVE	KMO	Bartlett Test	Composite Reliability
1	Brand Perception	5	0.614	0.572	0.000	0.835
2	Brand Image	5	0.652	0.632	0.000	0.813
3	Perceived Quality	5	0.732	0.598	0.002	0.890
4	Repeat purchase	5	0.621	0.672	0.000	0.852

Source: Researcher's computation, 2023

Table 2: Summary of Results of Test of Reliability

S/N	Variables	No. of Items	Cronbach's Alpha Coefficient	Composite Reliability	Remark
Brand Equity					
1	Brand perception	5	0.726	0.802	Reliable
2	Brand Image	5	0.820	0.793	Reliable
3	Perceived Quality	5	0.747	0.924	Reliable
Customer Satisfaction					
4	Repeat purchase 5		0.763	0.760	Reliable

Source: Researcher's computation, 2023

Composite Reliability (CR) for all constructs was greater than 0.70, indicating that all variables generated appropriate convergent dependability. Also, Cronbach's Alpha coefficients for all study variables are greater than 0.70, indicating that the research instrument was highly accurate. As a result, it was determined that the tool designed for this study is appropriate for the study.

Quantitative data analysis approach was used to analyze the acquired data. The study used Multiple Regression Analysis and the ANOVA as the test statistics, with the aid of Statistical Package for Social Science (SPSS

Version 21). The use of Multiple Regression Analysis and the ANOVA was justified because the study has a limited population.

RESULTS AND INTERPRETATION

Table 3: Hierarchical regression results showing effect of brand equity on customer satisfaction

	Models	B	T	Sig.	R^2	R^2 Change	F Change	Sig. F Change
1	(Constant) Consumer Satisfaction	13.078	30.791	0.000	0.84	0.84	32.127	0.000
	Social Media Advertising	0.10	5.668	0.000				
2	(Constant) Consumer Satisfaction	13.423	16.800	0.000	0.85	0.85	16.160	0.000
	Social Media Advertising	0.011	4.868	0.610				
	Brand equity	0.033	0.610	0.000				
3	(Constant) Consumer Satisfaction	12.347	16.937	0.000	0.048	0.048	17.706	0.000
	Social Media	0.202	4.208	0.000				

Source: Researcher's computation, 2023

The result of hypothesis one shows a highly significant impact of brand equity on customer satisfaction in the Crown City hotel (β = 0.010, t = 5.668, *p*-value =0.000), demonstrating that client satisfaction in Crown City hotel in Ogun State is linearly dependent on brand equity. The results show that, for each additional unit in brand equity, customer satisfaction rises by 0.10 unit. Brand equity accounts for 84% of variation in customer satisfaction at Crown City hotel in Ogun State (R^2 = 0.84). The F value (ANOVA) is statistically significant ($\Delta F_{(2,205)}$ = 32.127, *p*-value = 0.000), showing that the influence of brand equity in the model is high.

Table 4: Hierarchical regression results showing influence of social media advertising on the effect of brand equity on customer satisfaction

	Models	B	T	Sig.	R^2	R^2 Change	F Change	Sig. F Change
1	(Constant) Consumer satisfaction	12.940	23.896	0.000	0.084	0.084	16.110	0.000
	Social Media advertising	0.009	2.634	0.009				
	Brand Equity	0.27	0.412	0.681				
2	(Constant) Consumer satisfaction	12.749	23.559	0.000	0.066	0.066	24.865	0.000
	Social Media advertising	0.174	4.986	0.000				
3	(Constant) Consumer satisfaction	12.347	16.937	0.000	0.048	0.048	17.706	0.000
	Brand Equity	0.202	4.208	0.000				

Source: Researcher's computation, 2023

The outcome of hypothesis two suggests a statistically significant effect of social media advertising on customer satisfaction in Crown City hotel business (β = 0.27, t = 0.412, *p*-value =0.000), demonstrating that the effect of brand equity on customer satisfaction in Crown City hotel in Ogun State is influenced by social media advertising. According to the findings, a unit increase in social media advertising, enhances the explanatory power of brand equity on customer satisfaction rises by 0.27 units. The F value (ANOVA) is statistically significant ($\Delta F_{(2,205)}$ = 24.865, *p*-value = 0.000), showing that the effect of brand equity in the model is statistically significant.

CONCLUSION AND RECOMMENDATIONS

This study was undertaken to analyze effect of brand equity on customer satisfaction. Hotels put their brand at the center of their operations in a highly competitive market. They strive to build strong reputation in order to increase customer satisfaction. In this exercise, they engage social media advertising. It is believed that a good brand with substantial equity can influence how customers view a business, and that social media advertising

has the power to increase the power of brand equity to influence customer satisfaction. When all the tangible and intangible qualities of business are considered, building and preserving brand equity is crucial in today's hospitality sector.

Social media has shown to be an efficient means of interaction and advertising for hoteliers. Hotels ust use social media as an advertising medium to promote their brand and reach potential clients. Thus, hotels develop and organize websites, create accounts on Facebook, Twitter, and other social networking sites, and share valuable images and provide extensive details about themselves, their amenities, and their deals to boost reputation. Customers should be able to make reservations digitally. The hotel sector can use social media platforms to engage with its customers, showcase its brand better, improve its credibility, maintain customers, increase repeat purchases, and increase sales.

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