

The Impact of Social Media Marketing Activities on Brand Equity and Customer Reaction of Garuda Indonesia's Airline

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Abstract

Web-based social media is the fundamental target for customers to ensure that airline services are provided, the role of social media is very important for brand equity and customer response. The research aims to determine the impact of social media marketing activities and customer perception on Garuda Indonesia airlines. The method used is descriptive quantitative with multiple linear regression analysis. The sample is 100 Garuda Indonesia airline passengers with the CGK-DPS route at Soekarno-Hatta Airport. The results show that social media and marketing equity influence customer response on Garuda Indonesia airlines.

Keywords: social media, customer reactions, brand awareness, repurchasing, word of mouth

Introduction

For the digital era, social media has greatly influenced daily life. One example is when we want to feel comfortable sitting on a first-class aircraft seat from full-service flights, Youtube can be an intermediary in conducting a review and taking us as if on the plane. Another fact is when there was an airplane accident in an area and accidentally there was a record that was very tragic and spread it through Instagram so that it became viral. These events can affect the desire of passengers in choosing a safe flight, resulting in a decrease in demand. The opposite condition can occur when a video about the experience of someone who is enjoying a flight with satisfying services that is disseminated through Instagram and other social media, can affect passengers to choose the same flight to get the same flight comfort and affect the high demand.

But it is not just social media that affect passenger demand. However, Word Of Mouth (WOM) can also affect passenger demand. Even Word-Of-South

(WOM) is able to spread the news that is not actual or not in accordance with the incident. It could be that the person has made up a story or deliberately overestimated it so that the image on the airline is not good and can reduce passenger demand. The implication of social media on high demand of an airline is evident in Garuda Indonesia (GA) were in June and July 2018, social media succeeded in making Garuda Indonesia (GA) increase in demand.

This it cannot be denied that social media does have positive benefits and negative impacts. Social media with Word-Of-South (WOM) also impact on brand equity and customer response. The brand equity will decrease its image towards the quality and loyalty that is formed and the customer response itself. The role of the customer is very important in responding to the assessment of the good and bad of a flight.

In this journal, we will discuss "The Impact Of Social Media Marketing Activities And Customer Reaction Of Garuda Indonesia's Airline ". Garuda Indonesia's passenger demand is also influenced by information spread through social media such as Facebook, Twitter, Instagram and YouTube accounts. Information acquired in the utilization of web-based social media in the period June and July 2018 are taken based on calculations from social media users who visit the official account of Garuda Indonesia (GA) which can be categorized as above the average of the number of passenger requests. This is evidenced by the insignificant difference in numbers found in June and July 2018, as shown in the figure below:

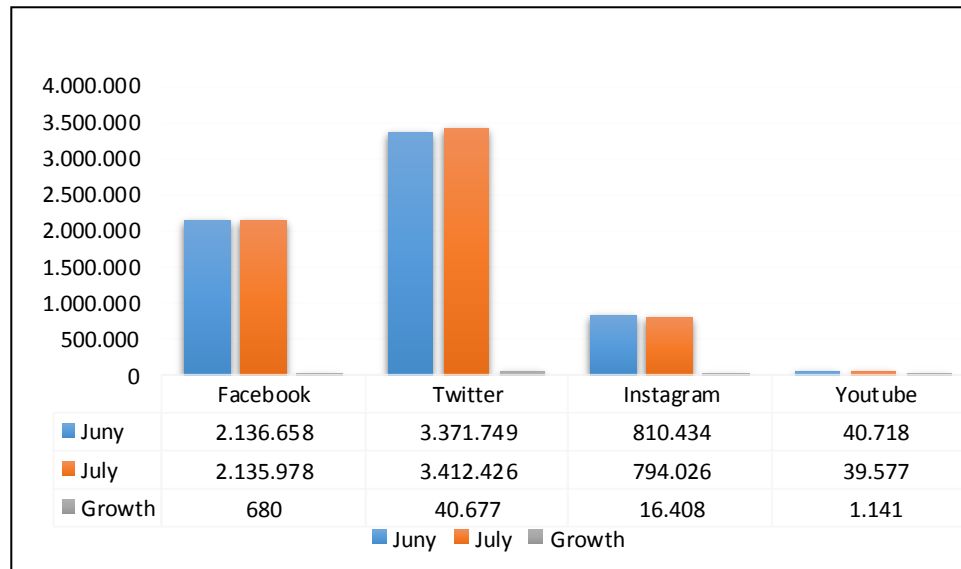


Figure 1. Garuda Research Data

Source: Direct Data Research

This information is intended to find out how much the impact of social media has on Garuda Indonesia airlines. We want to know the extent of the impact that this social media has produced, whether it will have an impact on Garuda Indonesia or not have an impact on the airline. The research results obtained will be used as a reference or long-term evaluation for Garuda Indonesia in order to remain competitive in the aviation world and become the top choice for the people of Indonesia. This research is based on several theories, according to experts, including the Social Media Marketing Activities, Customer Reaction.

The definity of social media can be interpreted as a program that is used for interactive, collaborative and share of media (Richter & Koch, 2007). The social media has a role in corporate marketing activities to build individual relationships with users and offerability to gain user access (Kelly, Kerr, & Drennan, 2010). By generalizing social media throughout the community, studies shows that the use of social media by analysing the use of social media and the length of usage. (Bolton et al., 2013) (Rosen, Whaling, Carrier, Cheever, & Rokkum, 2013).

The component of social media also been highlighted by many research. (Kim & Ko, 2012). classify the characteristics of SMMA (Social Media Marketing Activities) into stimulation, collaboration, stylishness, customization, and Word-of-Mouth (WOM), and they also apply it to luxury brands. Lee (2017) classifies corporate social media into correspondence, giving data, bolster for every day life, advancement, sales and activities in studies about the importance of corporate social media activities, which compare consumers and companies.

People usually use social media for decadent reasons and are considered to look for excitement and delight, virtual networks for the individuals who are set in center with clear interests (Bagozzi & Dholakia, 2002) (Manthiou et al., 2013). Given that social media is a space for shoppers to talk about and trade thoughts, communications via web-based networking media give knowledge to clients who add to online life stages as for specific brands, these clients meet and associate with one another in the internet and examine items or potentially certain brands (Muntinga, Moorman, & Smit, 2011)

The concept of brand equity has changed brand awareness. (Keller, 1993) describes brand equity by dividing this concept into brand awareness and brand image, proposing 'customer-based brand equity'. Brand equity is carved in consumer memory as a unique value that is different from different brands by joining different brand properties. Hence, mark value is a sociocultural wonder that goes past the name of product is the symbolic meaning sought by the brand (Keller, 2013). Brand awareness related to the capacity of purchasers to distinguish marks in different circumstances or to remember brands (Rossiter and Percy, 1987). The percentage of brand awareness shows that consumers know the brand name, and the increasing of probability that brand is contained in the list of potential candidates, and finally, the possibility of the brand being chosen (Keller, 1993). (Keller, 1993) states that brand image is a common perception of a brand that lies in consumer memory and a combination of many brand reminders. Therefore, this is the main of market component. Brand image is a physical

structure framed in the psyches of customers which is a blend of shopper affections for the item itself and related circuitous components. In short, brand image is the meaning of a brand that is received through the consumer sensory organ (Jung, 1994).

WOM's Consumer Behavior (Word-Of-Mouth) is formed as a result of responsibility, positive reaction (Amine, 1998). Customer reaction, in this research, are separated into behavioral responses and emotional responses, and investigations are carried out (through the mediation of brand equity) impact of the airline SMMA (Social Media Marketing Activities) on E-Word of Mouth (E-WOM) as a behavioral response and responsibility as a reaction response. E-WOM has long been regarded as an influence marketing tool because consumers, before buying a product or service, search for information online posted by prior users for the information review and reduce anxiety (Bickart & Schindler, n.d.) (Pitta & Fowler, 2005). E-WOM is the trade of service assessments between online users and different concepts from conventional WOM in many ways (Barreto, 2015) (Katz and Lazarsfeld, 1955 (King, Racherla, & Bush, 2014) (Yoon, 2012). The commitment within psychological state that is considered to be related to another person or object, and that is a unending desire to maintain relationships (Lee and Sung, 2000; Moorman et al., 1992). (Morgan & Hunt, 2012) states customers are committed to forming special attachments on brands, products, or companies and developing communities, which affect other customers. This encourages buyers to feel the benefits, corporation, and sense of belonging. Responsibility of customer is more important to companies because they companies is share value and resources, try to contribute to the company, and expect companies to maintain inter-dependent relationships with them (Gundlach, Achrol, & Mentzer, 1995); Ulrich, 1989).

Method

This study will examine the influence of social media on brand equity and customer reaction on Garuda Indonesia airlines. The population in this study were 1,260 customers. The study used random sampling (Slovin formulated with a 10% error rate) with the number of samples in this study were 100 customers. Researchers used direct questionnaires to collect data from respondents. In this study, the contents of the questionnaire consisted of 3 independent variables (social media) and dependent factors (brand equity & customer response). This study uses a Likert scale with 5 alternative answers, namely SS: strongly agree (5), S: Agree (4), CS: quite agree (3), TS: disagree (2), STS: strongly disagree (1)

1. Data Collection Techniques

Data collection was carried out to Garuda Indonesia airline customers with the CGK-DPS route at Soekarno Hatta International Airport. The data needed are primary and secondary data collected through questionnaires and company data. The questionnaire is a data collection technique that gives several statements in writing to the respondent to be answered.

2. Validity and Reality

Validity is a degree of accuracy in measuring the research content or the actual meaning measured. While Reliability is the degree of accuracy, accuracy or accuracy shown by the measurement instrument. The examiner can be done internally, which is testing by analyzing the consistency of the instrument items. External testing can also be done by doing test-retest. This validity and reliability testing were conducted by selecting 30 random respondents who had made flights on the CGK-DPS route at Soekarno Hatta International Airport. The indicator is stated to be valid $0.6042 > 0.3061$ and a reasonable $0.75 > 0.857$ if $T_{hitung} > T_{tabel}$ (Sugiyono, 2015).

Discussion and Result

The influence factor of social media marketing activities on brand equity and customer reaction on Garuda Indonesia airlines at Soekarno-Hatta Airport as a whole is good, the highest passenger perception states that social media Social Media Marketing is good 83% because social media is one of the needs and the main reason, social media has a big impact in this global era where now most people have used social media as an alternative means of information. while the lowest assessment is found on two indicators, namely passengers perceiving Garuda Indonesia's social media is less amazing and consumers also assume that the lack of availability of means of exchanging opinions on Garuda Indonesia social media 74.6%. this is, passengers, want social media marketing at Garuda Indonesia to be provided so that they can attract more consumers.

Furthermore, the over all effect of brand equity is quite good (65.22%) on customers reaction, high passenger perception in the services provided in accordance with the price 87.2% it reflects that passengers are satisfied with the services provided, because services is an important matter and is one of the references for consumers to repurchases. While the lowest rating 76.6% states that passengers who have been on a flight with Garuda Indonesia airlines will recommended to their family or colleagues, that means there are still obstacles that need to be evaluated further so that passengers are still reluctant to recommended Garuda Indonesia airlines. Especially prices where most are price sensitive (sensitive prices). While the impact of both social media marketing and brand equity on customer reaction as a whole was (81.44%), the biggest perception of 91.6% was obtained from passengers expecting that Garuda Indonesia's airline would continue to provide the best service and maintain its consistency. The lowest perception is 74.8% with word of mouth indicators in making recommendations to colleagues or family on social media.

Social media marketing factors have a significant effect on customer response, according to the results of hypothesis test wich states the value of t

count > t table where $4.720 > 1.660$ so that the effects of social media marketing has a strong influence on customer reaction. The factor of brand equity also has an influence on customer reaction where the results of the hypothesis test state that the value of tcount > t table is $7.707 > 1.660$. Then the magnitude of the impact of Social Media Marketing and Brand Equity is 58.5% on Customer reaction variables, while the remaining 41.5% has an effect against other factors.

Conclusion

Social media has a significant influence on Garuda Indonesia's brand equity and customer reaction. In general, social media variables have the greatest influence on customer reaction variables. Therefore Garuda Indonesia applies social media as a marketing activity that is a good effort to get a better response from customers. While on social media variables on brand equity variables, customers strongly agree that Garuda Indonesia provides services and quality according to the specified price. Overall, Garuda Indonesia has also provided good quality services so that it gets a good response from customers.

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