

The impact of social media on hospitality brand and image

Chanin Yoopetch

College of Management, Mahidol University
chaninyoo@gmail.com

Abstract

Social media is one of the most important and cost-effective tools for businesses to promote their brand. Brand equity is known to have influence on the consumer's decision to adopt the brand. This paper examines consumers' perception towards social media used by hospitality firms (e.g. hotels and airlines) in order to create corporate image and to support brand equity. The author used data from semi-structure interviews. The samples are business travellers having experiences with the social media application of the hospitality firms. The results indicated that using social media has crucial role in determining the corporate image and brand equity. Hospitality firms used several types of social media, including text and video formats in order to convey intended information to the customers. Findings are discussed with regard to their implications for the image and brand promotions through the social media of the firms.

Keywords: Social media, Corporate image, Brand equity



Introduction

In today's business world, new technology can change the way of communication between the businesses and the customers. With social media, a company can send the information and share news to their customers much faster with much less cost. In response to the trend of adopting social media, hospitality firms participate and make friends with their users or potential customers. In the past recent years, the competition in hospitality has never been more intense and the customers have several new choices of companies for the hospitality products and services that they can support. Therefore, as a tool to strengthen their strategy, a large number of hospitality firms- ranging from airlines, hotels to restaurants- introduced their social media tools, such as Facebook, YouTube and Twitter, through the Internet websites and mobile applications, in the attempt to familiarize with the customers and to build long-term relationship with their customers. Schivinski & Dabrowski (2016) noted that the communication through social media communication has been systematically applied by most businesses to improve the impression of the brands towards the target customers.

With the extensive uses of social media, however, little research has been conducted about the application of social media towards corporate image and brand equity from the perception of the customers (Dailey, 2009). Due to the increasing importance of social media in branding and corporate image building, it is essential for hospitality managers to understand more clearly about how to

better use the social media to achieve business objectives.

Literature review

Definition of social media

Social media are new information network and information technology using a form of communication utilizing interactive and user-produced content, and interpersonal relationships are created and maintained (Diga & Kelleher, 2009). Typical social media network services could be content sharing, web communities, and Internet forums (Sensis, 2011). According to Eysenbach (2008), at least five major features of social media are easy to identify, including social networking and social interaction, participation, the use of different providers (e.g. search engines, blog spaces, etc.) openness, and collaboration (between both users and user groups).

The most popular social networking sites have changed over the years. Here is a few of the popular sites based on communication and brand exposure criteria, including Facebook, LinkedIn, MySpace, and Twitter (Turner & Shah, 2011). Nevertheless, YouTube is one of the trendiest social networks people are using both on the web and mobile right now (Miletsky, 2014).

Various usage of social media to promote the brand, including the crisis, for example, from the study of Hsu & Lawrence (2016), social media can be a highly effective tool to deal with the product recall crisis and to regain trust from the customers. In addition, Bruhn, Schoenmueller, & Schäfer (2012) noted that the impact of social media on the



firms can divide into two levels of communication, including firm-created and user-generated social media communication.

Brand equity

Brand equity is known as one of the important concepts in marketing literature. In addition, the concept is also adopted in the financial studies, where researchers attempt to quantify the brand equity of the corporation and further to be compared and to explore the change of the brand equity over time (Simon and Sullivan, 1993). Brand awareness is a predecessor of brand equity and the brand equity can be considered the market outcome of the firm (Huang, & Sarigöllü, 2014; Silverman, Spratt, & Pascal, 1999). The monetary value of the brand is reflected in the response of the consumers to the brand, including how much they are willing to pay for the particular brand (Christodoulides and de Chernatony, 2010; Hemsley-Brown, Melewar, Nguyen, & Wilson, 2016).

Bruhn et al., (2012) suggested that social media can be useful for the firms to promote the brand equity. Khanna, Jacob, & Yadav (2014) indicated that usage of social media can improve the touch points with the customers through many channels of social media, such as Facebook and YouTube. The frequent visibility of the brand can directly affect perception of the customers.

This study focused on the consumer perspective, which is based on the foundation that the influence of brands lies in the minds of consumers (Leone et al., 2006). The early work of Aaker (1991) provided the definition of brand equity as the viewpoint of customers

towards the combination of many characteristics of the brand, including brand awareness, perceived quality, brand associations, brand loyalty and other proprietary assets.

Corporate image

Keller (1993) defined corporate image as perceptions of an organization reflected in the associations held in consumers' memory. Nguyen and LeBlanc (1998) defined corporate image as a subjective knowledge, or attitude such as ideology, corporate name, reputation and quality of delivery system. All of these characteristics contribute to build the corporate image. Kandampully and Hu (2007) further stated that corporate image consisted of two main components. The first aspect is functional component, such as the tangible characteristics that can be measured and evaluated easily. The second one is emotional component, including feelings, attitudes and beliefs that people have towards the organization. The emotional component is considered a consequence from accumulative experiences that customers have with the passage of time with the organization.

In addition, corporate image is defined as the overall impression left in the customers' mind as a result of accumulative feelings, ideas, attitudes and experiences with the organization, stored in memory, transformed into a positive/negative meaning, retrieved to reconstruct image and recalled when the name of the organization is heard or brought to ones' mind (Kazoleas et al., 2001; Hatch et al., 2003). Thus, corporate image is a result of communication



process in which the organizations create and spread a specific message that constitutes their strategic intent included mission, vision, goals and identity that reflects their core values that they cherish (Leuthesser & Kohli, 1997; Van Riel & Balmer, 1997).

Research methodology

The main investigation is based on qualitative methods. The samples of the study were the 20 business travellers who are associated with hospitality firms through social media, including adding the company as the Facebook friends and subscribing to the YouTube Channel of the hospitality firms. Snowballing technique was used to identify the samples. The semi-structured interview questions were developed to inquire many key points, such as the frequency

of using social media, types of social media adopted, the influence of social media towards the corporate image as well as the brand equity (including brand awareness, perceived quality and brand association).

Results of study

Samples are 20 experienced business travellers who have at least five-year association with from hospitality firms, through Facebook, twitter and YouTube. The characteristics of the interviewees were as shown in the table 1. The purposive sampling was adopted for the study. Face-to-face interviews with the respondents provided useful data to explain the research objectives. The average time for each interview was 30 minutes.

Table 1 Characteristics of interviewees

Respondents	Age (years)	Years of association with hospitality firms (through social media)
Interviewee 1	30	6
Interviewee 2	50	8
Interviewee 3	26	7
Interviewee 4	35	5
Interviewee 5	41	7
Interviewee 6	52	9
Interviewee 7	26	8
Interviewee 8	40	10
Interviewee 9	32	7
Interviewee 10	44	6
Interviewee 11	36	8
Interviewee 12	30	7
Interviewee 13	26	6
Interviewee 14	28	6
Interviewee 15	55	7
Interviewee 16	34	9
Interviewee 17	40	6



Interviewee 18	29	9
Interviewee 19	38	7
Interviewee 20	43	10

Respondents' usage of social media of the hospitality firms

From 20 respondents, the findings show that the three most frequency used social media by respondents are Facebook, Instagram, and Twitter. The reasons in using of social media of most respondents included communicating and connecting with friends, relatives, and other people; sharing information such as photos, thoughts, and feelings; and updating news, trend, and upcoming events. For example, one respondent said like *"I use social media to keep connect with friends and family, to share information, and to get to know the news or things happen in daily"* (Interviewee 1). Another respondent stated *"Social media is a good way to contact friends, stay updated with new trends and fashion, and stay on track with work for college and personal businesses"* (Interviewee 6).

In terms of the frequency of using social media, the results indicated that every respondent use social media in everyday and for many times a day. As one respondent said that *"I use social media most of the time a day. I always check for up-to-dated newsfeed every time if I am free. I can say I access to Facebook every hour (at least once) and I watch some videos on YouTube every day as well"* (Interviewee 20). Another respondent also said that *"I use social media on a daily basis and multiple hours a day because I am always curious what my*

friends and family are up to" (Interviewee 5).

Hospitality firms on social media

The majority of respondents identified that hospitality firms, particularly hotel chained businesses, used social media to promote their brands. The most popular social media used by those hospitality firms are Facebook and Instagram. For example, *"Hotel firms like Hyatt, Starwood, IHG released their own mobile apps. Also many businesses have used Facebook, Instagram, and other social media to promote their businesses"* (Interviewee 9), said by one respondent. Another respondent stated that *"Starwood promotes their brands on Instagram because nowadays everyone uses this application. It helps them to attract more customers. Wyndham, Marriott and Hilton also have mobile application"* (Interviewee 12). *"This is one way to advertise their brand with less expense so many brands using this strategy such as Centara hotel group, Hilton, Marriott and Oriental"* (Interviewee 16), said by one respondent.

Building corporate image through social media

When the hospitality firms use social media to promote their brands, most of respondents thought that the image of those firms would be high in technology, trendy, and helpful. For example, *"By*



using online channel, which is cost-effective and easy to reach out people, it is very useful for both the firms and customers as it is very convenient. Moreover, it can be seen as being trendy and high tech to use this technology to promote their brands as well” (Interviewee 3), said by one respondent. One of the interviewee said that *“I found these hospitality firms that promote their brands through social media are very high tech and helpful as it's very easy for me to see their properties in many pictures. At the same time, people who already went there can come and do comments on those pictures to share their experiences as well”* (Interviewee 19). Besides, one respondent also said that *“It is helpful as it will be easier and quicker to distribute the news to customers in different places at once”* (Interviewee 14).

Social media on brand equity

Next findings further generate that half of respondents though the brand has higher value because they use social media, where as another half of respondent did not think so. For respondents who say yes, most of them agreed that the brand has higher value from using social media because they try to develop themselves to fit with today's trend. For example, one interviewee stated that *“I agree because it's like they do care their customers and try to develop their service all the times”* (Interviewee 2). Another respondent said that *“I think it can have higher value from utilizing social media as people can look at them as being trendy and adapt themselves to today's way of communication. Moreover, people can choose one brand over another if they see*

their brand names more often” (Interviewee 6). *“Using social media adds value to the brand because it implies customers that such brand keeps developing itself, follow the trend, and know how to reach the customers”* (Interviewee 13).

Moreover, most of respondents agreed that social media could raise the awareness of people in those brands. As one interviewee stated that *“I support using social media because it is convenient for firms to reach out people promoting themselves to raise their brand awareness. It is also faster and cost effective than traditional way”* (Interviewee 8). With social media, the hospitality firms not only provided information about services, special offers, and shared experiences of other customers, but also allowed and encouraged the customers to respond their feedback to the firms. In the end, the customers constantly help promoting and creating the brand and the image for these hospitality companies.

Discussions

As portrayed in the results, social media has been adopted and widely used by hotels, because of several benefits, including cost effectiveness, high level of responsiveness with the customers, and brand and image creation. The findings show that the three most frequency used social media by respondents are Facebook, Instagram, and Twitter. This is supported by Kuvykaite and Piligrimiene (2013) and Tuten (2008), suggesting that the social media, including Facebook and Twitter, are highly used, based on communication and brand exposure.



When the hospitality firms use social media to promote their brands, most of respondents thought that the image of those firms would be high in technology, trendy, and helpful. According to Gilpin (2010), many businesses expanded their use of social media to drive innovation in their products and services. Correa et al., (2010) further implied that businesses are already coming to terms with the need to integrate their social media efforts with their content strategy, and are seeing the impact of social media in terms of lead generation. Despite, people are more likely to communicate through both word-of-mouth and social media when they are engaged with the product, service, or idea.

Additionally, this study also found that most of respondents supported the idea of using social media to support the company image and brand equity,

comparing with the traditional media because social media can raise the awareness of people in those brands. Social media marketing concepts and techniques basically consist of increase brand awareness of services, increase sales, educate and inform customers, improve customer service, and monitor brand reputation (Bruhn et al., 2012; Khanna et al., 2014).

Figure 1 summarized the integrated relationship among several crucial factors. Firstly, stakeholders, including current customers and other social media users, contributed their data and information into the overall format of the firm's social media. Secondly, combined information through social media helped forming the corporate image. Thirdly, repeated and clear corporate image can develop the brand equity in the perception of the customers.

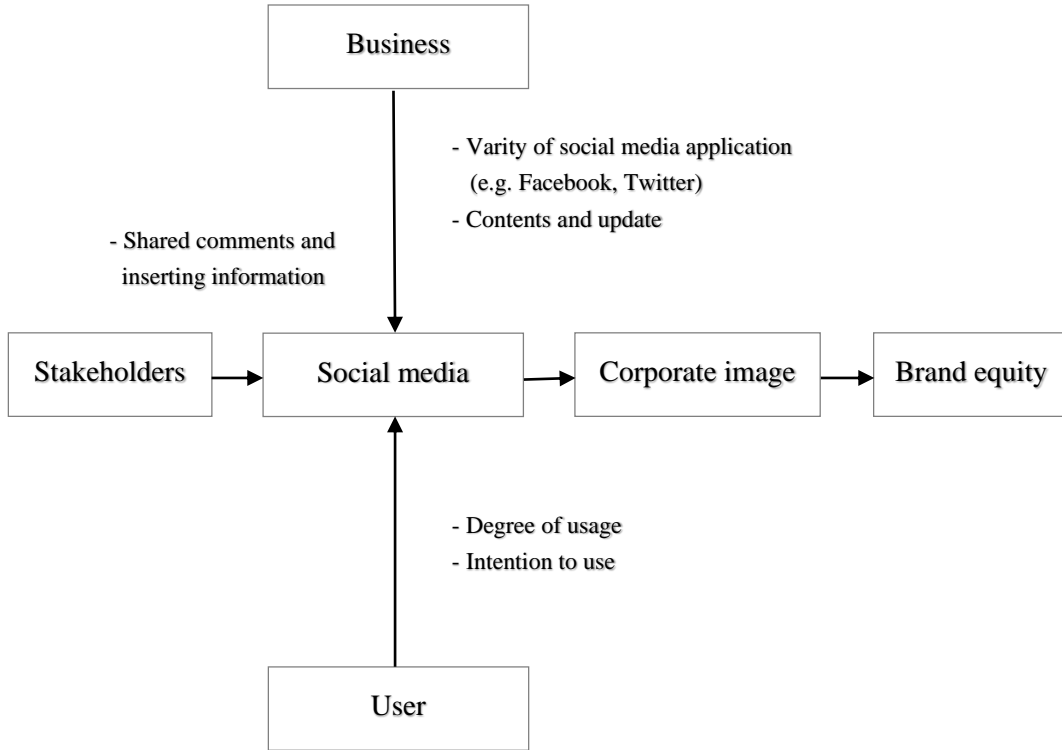


Figure 1 The Contribution of User, Stakeholders and Businesses in Social Media Supporting the Formulation of Corporate Image and Brand Equity

Conclusions and recommendations

Social media is a grate platform, allowing customers and others to share their stories, and experiences through the usage of text, image or video. Social media has obviously its presence and influence on forming corporate image (e.g. high technology, trendy and helpful) and creating brand equity for the hospitality firms. Applications of social media to support their business operations lead to the new approach to interact with the customers in the most efficient fashion, especially in providing useful information and in building closer

relationship with the customer. The results implied practical guidelines for the managers to increase the degree of social media usage in many dimensions. Firstly, applying variety of social media tools (e.g. Facebook and YouTube) can increase the brand equity and ensure that the customer receive the intended information from the company.

Secondly, the managers should focus on contents because these contents directly form the corporate image of the company in the mind of the customers. Thirdly, it is crucial to familiarize the brand by using different types of contents, such as text news, sales promotions, and video



clips, to encourage the customers to engage more with the brand, products and services. In addition, due to the effectiveness of using social media, the hospitality firms can offer special promotion through 'only' social media to encourage the customers to frequently visit the social media channels and to share the information with their friends.

Directions for further research

There are many great opportunities for the research in the field of social media to investigate the specific types of social media and their influence on the image and brand equity. In addition, researchers can further conduct the quantitative study in order to understand more clearly about the strength of relationship among these factors. Additionally, the researchers

may study in other industries about different types of products or services so that the generalization of the findings can be enhanced. It is also interesting to conduct the more in-depth study among the firms in the same industry (e.g. airline) to find out about how the degree of using social media affects the corporate image and brand equity. Cultural aspects of adopting social media among consumers with diverse background can help the managers understand more about how to apply the social media tools to different groups of customers. Additionally, according to Bruhn et al., (2012), the levels of social media communication can be further explored in the deeper levels in terms of firm-level and consumer-level impacts and quantitative studies may be useful to investigate and compare the levels of impacts so that the companies can later improve their communication strategy to meet with their business goals.

References

- Aaker, D. A. (2009). *Managing brand equity*. Simon and Schuster.
- Bruhn, M., Schoenmueller, V., & Schäfer, D. B. (2012). Are social media replacing traditional media in terms of brand equity creation? *Management Research Review*, 35(9), 770 – 790.
- Christodoulides, G., & De Chernatony, L. (2010). Consumer-based brand equity conceptualization and measurement: A literature review. *International journal of research in marketing*, 52(1), 43-66.
- Correa, T., Hinsley, A. W., & De Zuniga, H. G. (2010). Who interacts on the Web?: The intersection of users' personality and social media use. *Computers in Human Behavior*, 26, 247-253.
- Dailey, P. R. (2009). Social Media: Finding Its Way Into Your Business Strategy and Culture. *The Linkage Leader*, 1-20.
- Diga, M., & Kelleher, T. (2009). Social media use, perceptions of decision-making power, and public relations roles. *Public Relations Review*, 35(4), 440-442.



- Dijkmans, C., Kerkhof, P., & Beukeboom, C. J. (2015). A stage to engage: Social media use and corporate reputation. *Tourism Management*, 47, 58-67.
- Eysenbach, G. (2008). Medicine 2.0: social networking, collaboration, participation, apomediation, and openness. *Journal of medical Internet research*, 10(3) :e22. DOI: 10.2196/jmir.1030
- Gilpin, D. (2010). Organizational Image Construction in a Fragmented Online Media Environment. *Journal of Public Relations Research*, 22(3), 265-287.
- Hatch, M.J., Schultz, M., & Williamson, J. (2003). Bringing the corporation into corporate branding. *European Journal of Marketing*, 37(7/8), 1041-1064.
- Huang, R., & Sarigöllü, E. (2014). How brand awareness relates to market outcome, brand equity, and the marketing mix. In *Fashion Branding and Consumer Behaviors* (pp. 113-132). Springer New York.
- Hemsley-Brown, J., Melewar, T. C., Nguyen, B., & Wilson, E. J. (2016). Exploring brand identity, meaning, image, and reputation (BIMIR) in higher education: A special section. *Journal of Business Research*, 69(8), 3019-3022.
- Hsu, L., & Lawrence, B. (2016). The role of social media and brand equity during a product recall crisis: A shareholder value perspective. *International Journal of Research in Marketing*, 33(1), 59-77.
- Kandampully, J., & Hu, H.H. (2007). Do hoteliers need to manage image to retain loyal customers?. *International Journal of Contemporary Hospitality Management*, 19(6), 435 – 443.
- Kazoleas, D., Kim, Y., & Moffit, M. A. (2001). Institutional image: a case study. *Corporate Communications: An International Journal*, 6(4), 205-216.
- Keller, K.L. (1993). Conceptualizing, measuring and managing customer-based brand equity. *Journal of Marketing*, 57, 1-22.
- Khanna, M., Jacob, I., & Yadav, N. (2014). Identifying and analyzing touchpoints for building a higher education brand. *Journal of Marketing for Higher Education*, 24(1), 122-143.
- Kuvykaite, R., & Piligrimiene, Z. (2013). Communication in Social Media for Company's Image Formation. *Economics and Management*, 18(2), 305-317.
- Leone, R. P., Rao, V. R., Keller, K. L., Luo, A. M., McAlister, L., & Srivastava, R. (2006). Linking brand equity to customer equity. *Journal of Service Research*, 9(2), 125-138.
- Leuthesser, L., & Kohli, C. (1997). Corporate identity: the role of mission statements. *Business Horizons*, 40, 59-66.
- Miletsky, J. (2010). *Principles of Internet Marketing: New Tools and Methods for Web Developers*. Course Technology, Cengage Learning.



- Nguyen, N., & LeBlanc, G. (1998). The mediating role of corporate image on customers' retention decisions: an investigation in financial services. *International Journal of Bank Marketing*, 16(2), 52-65.
- Schivinski, B., & Dabrowski, D. (2016). The effect of social media communication on consumer perceptions of brands. *Journal of Marketing Communications*, 22(2), 189-214.
- Sensis. (2011). What Australian people and business are doing with social media. *Sensis Social Media Report*, 1-36.
- Silverman, S. N., Sprott, D. E., & Pascal, V. J. (1999). Relating consumer-based sources of brand equity to market outcomes. *Advances in Consumer Research Volume*, 26(1), 352-358.
- Simon, C. J., & Sullivan, M. W. (1993). The measurement and determinants of brand equity: a financial approach. *Marketing science*, 12(1), 28-52.
- Turner, J., & Shah, R. (2011). How to make money with social media: an insider's guide on using new and emerging media to grow your business. New Jersey: Pearson Education.
- Tuten, T. L. (2008). *Advertising 2.0: Social Media Marketing in a Web 2.0 World*. Greenwood Publishing Group.
- Van Riel, C.B.M., & Balmer, J.M.T. (1997). Corporate identity: the concept, its measurement and management. *European Journal of Marketing*, 31(5/6), 340-55.

