

# The Role of Marketing Efforts through Social Media and Brand Equity on Customer Reaction (Case Study: Hakopian Clothing Industry)

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## Abstract

The purpose of this research is to investigate the mediating role of brand equity in the impact of social media marketing on customer reaction. This research is among the descriptive researches of the survey type. The statistical population of the research is all the customers of Hakopian brand agencies who are members of that brand's Instagram page. The sample size was estimated to be 384 people, which were selected by available sampling method. In order to collect data Standard questionnaires were used. Validity was investigated using confirmatory factor analysis and Cronbach's alpha coefficient greater than 0.7 for different constructs confirmed their reliability. In the inferential statistics section, Kolmogorov-Smirnov test, Pearson correlation coefficient and model test were used. Constructing structural equations with the help of smart pls software was used to test hypotheses. A significant level was considered for all analyzes ( $p < 0.05$ ). The results indicated that social media marketing has a positive and significant effect on brand equity and customer reaction. Brand equity has a positive and meaningful effect on customer reaction. Also, the findings showed that brand equity has a positive mediating role in the impact of social media marketing on customer reaction.

## Keywords:

social media marketing,  
brand value,  
customer response.

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## **Extended Abstract**

### **Introduction**

Today, people's personal and social life is mostly in cyber space. In this new space, businesses are looking for new opportunities to exploit. Social media marketing is a two-way communication that seeks to attract young users and even promote familiar feelings associated with existing luxury brands to the older age group (Ahmad et al, 2016). In addition, brands' social media activity is an opportunity It provides for reducing misunderstanding and prejudice towards other brands and leads to an increase in brand value by creating a space for exchanging ideas and information online among people (Dehdashti Shahrokh & Naeli, 2021). Due to the exponential increase in the use From these social media, not only existing social network users, but also commercial companies and government organizations are connecting and using them as communication tools (Hajjialiakbari & Moosavi, 2019). Unlike individual users of social networks, these organizations are Activists use social media for advertising and marketing, which has been done to implement integrated marketing activities without time, space and media restrictions with much less effort and cost than before (Galati et al, 2017). . Understanding the role of social media is vital for researchers and managers in the field of marketing, therefore, social media marketing is an integral element of business in the 21st century (Felix & et al, 2016). Existing researches empirically identify the specific objectives of social media marketing. including sales stimulus, increasing brand awareness, improving brand image, generating traffic to online databases, reducing marketing costs, and creating user interaction in databases by encouraging users to send or share content. Despite the increase in usage Pervasive of social media in business, researches in the field of social media strategies are few and companies develop and guide their social media marketing strategies by trial and error (Ananda&etal, 2016). With the rapid expansion of social media Social media and its programs have had a deep impact on the structure of businesses, which has led to a deep transformation in the marketing models of companies (Galati & etal, 2017). In this research, an attempt is made to answer the question whether social media marketing by emphasizing the mediating role of brand equity has a significant effect on the reaction of customers of Hakopian Company?

### **Theoretical foundations**

Few researches have been done on social media marketing strategies. Issues related to social media marketing have caused researchers to focus and pay attention and expand the importance of such a topic. One of the types of relationships that consumers establish with the brand is the feeling of customer reactions (Almasi et al, 2020). By establishing such a relationship with the brand, a stable and inimitable source of competitive advantage is created for that particular brand. Sharma et al (2018) have defined customer reactions as the benefits that customers believe they will receive in excess of the cost associated with their consumption (Keegan & Rowley, 2017). Customer reactions are an overall evaluation of service usefulness, based on customers' perceptions of what they get In contrast, it is the cost paid. Kotler & Sheth (1997) have also claimed that the value of products for customers is determined by satisfaction and loyalty (Gong et al, 2020).

On the other hand, customers always show behavior when faced with the actions of the organization, which is called customer reaction or in a more familiar word, customer reaction. These reactions are caused by their behavioral intentions and also their attitudes about a subject (Lim et al, 2017). ). On the other hand, today most of the marketing managers have come to believe that the real value does not exist in the product or service, but this value is in the eyes of potential and actual customers and it is the brand that evokes this value in their minds. A strong special brand can have more brand equity (Zollo et al, 2020). Brand equity is

a set of assets and liabilities linked to a brand. Brand equity is the differential effect that brand awareness has on customers' response to brand marketing. The special value of a brand is caused by the perception that consumers have of that brand, which is changed by many factors (Ahmad et al, 2016). which are effective in creating and forming the special value of the brand in the minds of consumers, understood and recognized (Ngan et al, 2019). The special value of the brand is created when customers tend to pay more for the same level of brand quality due to the interestingness of the brand name and strong attachment to it (Rezaeian & Asgari, 2021).

### Research Methodology

The current research is applied in terms of purpose and descriptive-survey in terms of data analysis. The statistical population of the research was made up of all customers and consumers of Hakopian brand clothing products in Tehran city. Based on the formula for determining the sample size of the unknown statistical population (Cochran's formula), the sample size was 384 people and was obtained by available sampling method. Data were used from the standard questionnaires of brand specific value of Aaker (1996), social media Seo & Park (2018) and customer reaction Buil & etal (2013). In order to determine the validity of the research tool, face validity, content validity and confirmatory factor analysis were used. Cronbach's alpha coefficient was used to determine the reliability of the research tools. To test the research hypotheses, the Kolmogorov Smirnov test and the structural equation technique were used using SmartPLS statistical software.

### Research findings

The results related to the first hypothesis showed that social media marketing has a positive and significant effect on brand equity. The results related to the second hypothesis showed that the brand equity has a positive and significant effect on customer reaction. The results related to the third hypothesis showed that social media marketing has a positive and significant effect on customer reaction. The results related to the fourth hypothesis showed that brand equity plays a mediating role in the impact of social media marketing on customer reaction.

### Conclusion and Discussion

As mentioned, the purpose of this research was to investigate the mediating role of brand equity in the impact of social media marketing on customer reaction. This research is consistent with the research of Azami & Ayeneh (2021), Ngan et al (2019), Saberi & Moharar (2016), Hajialiakbar & Moosavi (2019), Ebrahim (2020) and Zollo et al (2020); In the end, with regard to the results of the structural equation model, it can be said that managing the way of communicating with customers can influence the type of customer behavior and the extent to which customers use the company's products depends on these relationships. The use of marketing strategies. The new way of attracting potential customers can play an essential role in increasing the company's market share. The degree of customer satisfaction with the company's performance and the improvement of the communication environment between customers and company employees or even the services provided by them, play an important role in the processes of brand association in the minds of customers. The level of awareness that customers gain in the type of relationship they have with the company and the services provided will increase their willingness to use those products and this will mean an increase in the market share of that company. Business marketing in social media can be an important and effective factor on the customers' attitude towards the brand and their products. The emergence of other companies will not cause any disruption in the market share of this

company, because its customers are indebted to this brand and Under no circumstances will they regret using the services of this company. In such circumstances, even if the desired services are not available, they will refrain from using the services of other companies. In this way, customers are committed and loyal to the company.