



## The Effect of Instagram Marketing Activities on Customer Based Brand Equity

\*<sup>1</sup>S.H.U.K Nandasiri, <sup>2</sup>H.P.T.N Silva

<sup>1,2</sup>Department of Social Statistics, University of Sri Jayewardenepura, Sri Lanka

Corresponding author - udanikavindya0102@gmail.com

---

### ARTICLE INFO

#### Article History:

Received: 10 September 2023

Accepted: 01 November 2023

#### Keywords:

Brand equity; Clothing industry; Instagram; Marketing activities; Structural equation modelling

#### Citation:

S.H.U.K Nandasiri, H.P.T.N Silva. (2023). The Effect of Instagram Marketing Activities on Customer Based Brand Equity. Proceedings of SLIIT International Conference on Advancements in Sciences and Humanities, 1-2 December, Colombo, pages 259-264.

---

### ABSTRACT

Instagram is used as an effective and visual marketing channel for building brand equity in the minds of consumers. This research assisted in filling the gap by analyzing the effect of social media marketing activities on customer-based brand equity by applying the concept of brand equity to the Instagram marketing context based on clothing stores in Sri Lanka. Towards that, a quantitative method was used, and data were collected from 385 Instagram users who follow selected clothing store Instagram accounts in Sri Lanka. The survey was carried out with stratified random sampling method by taking selected six prominent clothing store Instagram accounts as strata. The results obtained through a Structural Equation Model revealed that Instagram marketing activities comprise only three dimensions: entertainment, customization, and advertisement while two dimensions: trendiness and interaction, do not have significant effect on customer-based brand equity in Sri Lankan context. Therefore, it can be recognized that Sri Lankan Instagram users who do not tend to pay attention to Instagram clothing stores when buying clothes online still have some confusion, uncertainties, unfamiliarity, and lack of knowledge about using this platform. This research suggested that Instagram platform should be promoted in Sri Lanka as a user-friendly

platform and marketing plan of clothing stores should be accompanied by certain strategies in Instagram to expand brand networks, community development, and increase interaction between stores and customers.

## 1. INTRODUCTION

In present era of information technology, Instagram stands out as a prominent social media platform frequently connected for business endeavors, particularly in the dominion of initiating and nurturing brand identities. Within the social media landscape, brands that adeptly skills exactly designed marketing strategies to their target audience possess the potential to cultivate robust customer – centric brand equity, thereby delivering an outstanding customer experience. Meta’s advertising tools indicate that Instagram had 1.55 million users in Sri Lanka in early 2022. On the other hand, especially clothing brands in Sri Lanka have smoothly extended to Instagram accounts identifying the target audience in the online social network.

The impact of social media marketing on brand equity has been studied by several studies. A study done by Seo & Park (2018) revealed that trendiness was the most important component, and airline social media marketing activities had significant effects on brand awareness and brand image. An empirical study was carried out by Iqbal & Khan, (2021) claimed that social media marketing, content strategy, interaction, advertisement, and reliability are highly positive related to brand equity in Pakistan. According to Park & Namkung, (2022), the effects of Instagram marketing activities on customer-based brand equity in the coffee industry can be divided to four sub-dimensions; interaction, entertainment, customization, and trendiness and those Instagram marketing activities positively affect brand equity. Based on the above finding, it can be claimed that social media has a significant impact on brand equity.

Despite the emerging importance of social media marketing in various fields and a large number of studies in Sri Lanka on social media marketing activities, most studies have primarily focused on the effects of social media marketing activities on customer satisfaction or behavioral intention based on the Facebook platform (Jayasuriya, 2022). Extremely few studies, especially in the Instagram platform have been carried out in the clothing industry (Park & Namkung, 2022).

To fulfill the gap, this study is conducted to identify the components of clothing Instagram marketing activities and to investigate the effects of these elements on customers through brand equity, especially in the Sri Lankan context. This study specifically targeted on clothing industry because clothing stores in Sri Lanka have smoothly extended to Instagram accounts identifying the target audience in the online social network.

## 2. MATERIALS AND METHODS

The study uses a quantitative research method totally based on the primary data. The population of this research consisted of Instagram users who follow clothing store Instagram accounts in Sri Lanka. The targeted population was Instagram users who follow six selected prominent clothing store Instagram accounts in Sri Lanka. Clothing store Instagram accounts: Odel, Kelly Felder, Nills store, ZigZag, Gflock, and Mimosa were selected based on their Instagram follower-base (the highest number of Instagram followers) according to the Findit.lk website which is created to inform customers about the promotions offered by the best clothing stores in Sri Lanka. This site is updated daily. The sampling unit was an individual Instagram user who follows one or more selected clothing store Instagram accounts. The survey was carried out with the stratified random sampling method by considering six clothing store Instagram accounts as strata. A sample was chosen randomly from the list of Instagram followers of each clothing Store Instagram Accounts.

Since all six clothing store Instagram accounts have more than 100,000 followers by 31<sup>st</sup> August 2022, a sample of 385 was taken as indicated by Krejcie & Morgan (1970). Data were carried out by distributing questionnaire links (Google form link) through the admin of the selected clothing store Instagram accounts to their followers. Under the descriptive analysis, basic features of all the demographic characteristics related to the collected data set have been described. A reliability test was performed to assess the consistencies of the variables using the Cronbach's alpha coefficients and KMO and Bartlett's Test carried to test the validity of the Likert scale statements of each variable. After data were validated for factor analysis, the Structural Equation Model (SEM) was used to test the research model and analyze the relationship of each variable in the research model. The data analysis was conducted using the AMOS Graphics software (SEM package).

### 3. RESULTS AND DISCUSSION

Of the 385 total respondents, three-fourths of Instagram users are females. A majority of the Instagram users of Sri Lanka are from the Generation Y (age category of 26-35), and the second highest belongs to the Generation Z (age range of 16-25). Respondents' occupations are quite varied with the majority being full-time employment (42.1%) and students ranking second (26.5%). The highest number of respondents (68.57%) is recorded under the single category. Most respondents live in urban places. As a percentage, it is 61.56%. The income level of most of the Instagram users (29.4%) is between Rs.70,000 and Rs.90,000. According to the Instagram usage period of the respondents, most of them use Instagram for 1-3 years (41%). 54.3% of respondents grant themselves as active Instagram users. They conveyed that they have accessed Instagram at least twice a week for a minimum of 10 minutes for personal reasons. The highest percentage (35.6%) of the respondents indicates that they visited clothing store Instagram

accounts three-four times per week. Statistics provided evidence to most Instagram users joined this platform within a short period of 3 years. Instagram users who have used Instagram for more than 5 years are very low.

Most of the inactive Instagram users are males while females are the most active users of Instagram. Also, the youngest group of 58 Instagram users (Generation Z) are more active on Instagram while the majority of generation Y (26-35 age category) users are inactive on Instagram. Furthermore, all the users over 35 years of age do not grant themselves as active Instagram users. When it comes to employment status, only most full-time employees are inactive on Instagram. The highest proportion of unemployed respondents can be identified as active on Instagram. Further, most of the single Instagram users are active users of Instagram. Most Instagram users viewed catalogue of the clothing store Instagram frequently. Most of the followers of clothing store Instagram accounts who paid their attention to the clothing store Instagram accounts while buying clothes belongs to generation Y and generation Z. But Instagram users who do not usually pay their attention to the Instagram accounts of the clothing stores do have some reasons like lack of knowledge, fear of using the Instagram platform, afraid to sending a direct message to ask for details using Sinhala language, unfamiliar to operate the Instagram platform as Facebook, think that the Instagram clothing stores do not update photos, details, all products available, sales and discounts, available sizes and styles, buy clothing directly from the website and think the price of clothes in Instagram clothing stores is too high comparing to that of the Facebook stores.

#### 3.1. MEASUREMENT MODEL

It was found that the observed data satisfied reliability and validity criteria for factor analysis. To test the internal consistency of the items, a reliability test was conducted using Cronbach's

alpha coefficients (ADV = 0.879, ENT = 0.880, INT = 0.840, TRN = 0.851, CUS = 0.837, BE = 0.912). All variables are above the threshold level (0.7). All KMO values for individual items (ADV = 0.725, ENT = 0.803, INT = 0.789, TRN = 0.732, CUS = 0.700, BE = 0.844) were > 0.7, which is above the desired level and Barlett's test of sphericity for each construct was statistically significant ( $p < 0.05$ ), indicated that correlations between items were sufficiently large for Principal Component Analysis. The overall model fit exceeded the accepted standards (CMIN/DF = 2.877, GFI = 0.886, AGFI = 0.847, RMESA = 0.07, RMR = 0.012, TLI = 0.923, CFI = 0.937, RFI = 0.887, NFI = 0.908, PRATIO = 0.819, PNFI = 0.743, PCFI = 0.768). Table 01 indicates all the standardized factor loadings are significant at 5%. Therefore, it can be concluded that there is no issue with convergent validity requirements. Table 02 indicates that the square root of AVE (Average Variance Extracted) for each construct was higher than the correlations between that construct and other constructs. It confirmed that the discriminant validity of the model.

**Table 1:** Convergent Validity Measures

Construct	Number of items	Standardized factor loadings Min – Max	AVE	CR
Advertisement -ADV	3	0.698 – 0.893	0.605	0.820
Entertainment - ENT	4	0.745 – 0.841	0.648	0.880
Interaction - INT	4	0.718 – 0.772	0.554	0.833
Trendiness - TRN	3	0.742– 0.836	0.619	0.830
Customization - CUS	3	0.743 - 0.850	0.635	0.839
Brand Equity - BE	4	0.738 - 0.879	0.678	0.893

**Table 2:** Inter-construct correlations and square root of AVE

	ADV	ENT	INT	TRN	CUS	BE
ADV	0.778					
ENT	0.777	0.805				
INT	0.539	0.583	0.745			
TRN	0.601	0.593	0.677	0.787		
CUS	0.558	0.518	0.721	0.782	0.797	
BE	0.760	0.724	0.644	0.598	0.666	0.823

### 3.2. STRUCTURAL EQUATION MODELING (SEM)

The research model was evaluated by using structural equation modeling, and the fit indices of the SEM were acceptable (CMIN/DF = 2.877, GFI = 0.886, RMESA = 0.07, RMR = 0.012, TLI = 0.923, CFI = 0.937, RFI = 0.887, NFI = 0.908, PRATIO = 0.819, PNFI = 0.743, PCFI = 0.768).

**Table 3:** Path coefficients of the structural model

Hypothesized Path		Standardized path coefficients	SE	P- value	Decision
H1	ADV → BE	0.389	0.119	0.002	Significant
H2	ENT → BE	0.249	0.106	0.016	Significant
H3	CUS → BE	0.310	0.134	0.012	Significant
H4	INT → BE	0.154	0.102	0.147	Not Significant
H5	TRN → BE	-0.130	0.111	0.163	Not Significant

Table 3 reflects the direct effect of Instagram marketing activities on customer-based brand equity. According to the above statistics the null hypothesis, : Advertisement do not have a significant effect on customer – based brand equity is rejected (P-value = 0.002) at 0.05 level of significance. Thus, it can be concluded that the advertisement as an Instagram marketing activity, has a significant effect on customer – based brand equity. The two hypotheses : Entertainment do not have a significant effect on customer – based brand equity, and : Customization do not have

a significant effect on customer – based brand equity are also rejected at 0.05 level of significant. However, the Interaction and Trendiness do not give significant contribution those P-values are 0.147 and 0.163 respectively.

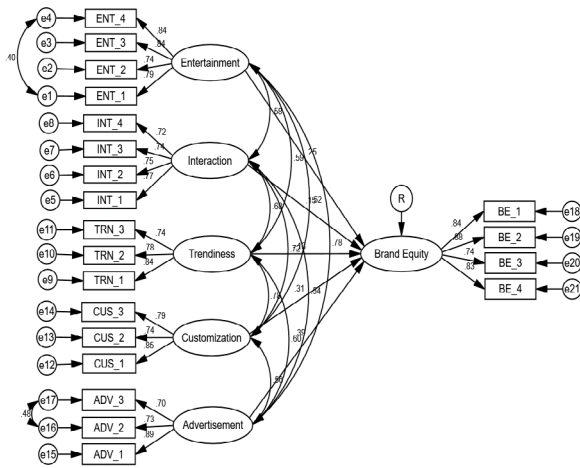


Figure 1: Structural Model

#### 4. CONCLUSIONS AND RECOMMENDATIONS

##### 4.1. CONCLUSIONS

Sri Lankan Instagram users are mostly young generation (Generation Y and Generation Z) who live around urban areas and have considerable family income. The majority of user who have joined the Instagram platform in a short period of time, implies that this platform has not yet been properly established in Sri Lanka. Sri Lankan Instagram users are still less inclined to buy products through that platform. Online purchasing, which is developing rapidly as a global trend, is also happening in Sri Lanka to some extent nowadays. Although statistically this study has been proven that three sub-dimensions; advertisement, customization, and entertainment of Instagram marketing activities significantly affect customer-based brand equity and the remaining two sub-dimensions; trendiness and interaction do not significantly affect customer-based brand equity in the Sri Lankan context. It can be identified that Sri Lankan Instagram users who do not tend to pay attention to Instagram clothing stores when

buying clothes online still have some confusion, uncertainties, unfamiliarity, and lack of knowledge about using this platform. So the components like trendiness and interaction have been attached importance at a low level by the consumers since these components are regarded as requisites of social media communication.

##### 4.2. RECOMMENDATIONS

Companies and business people must understand the importance of Instagram in Sri Lankan society as an effective tool for marketing products and incorporating activities on Instagram in their marketing strategies. The marketing plan of clothing stores should be accompanied by certain strategies in social media platforms to expand brand networks, community development, and increase interaction between stores and customers. The platform should be promoted in Sri Lanka in such a way that it is felt that the Instagram platform is a user-friendly social media platform like other social media platforms. So, to strengthen brand equity, it is advisable to inform customers about the products offered on social media, especially Instagram, and to build strong relationships with customers through online communities.

##### REFERENCES

- Aaker, D. A. (1996). Measuring brand equity across products and markets. *California Management Review*, 38(3), 102–120. <https://doi.org/10.2307/41165845>
- Al-Khowaiter, W. A. (2016). The power of Instagram in building small businesses. In *Lecture Notes in Computer Science* (pp. 59–64). [https://doi.org/10.1007/978-3-319-45234-0\\_6](https://doi.org/10.1007/978-3-319-45234-0_6)
- Iqbal, R., & Khan, S. (2021). Impact of Social Media Marketing on Building Brand Equity: An Emperical Study of Pakistan Apparel Brand. *iKSP Journal of Business and Economics*.

- Jayasuriya, N. (2022). The impact of Facebook Marketing on Customer-Based Brand Equity and purchase Intention on fashionwear retail industry in Sri Lanka. *Asian Journal of Marketing Management*, 1(02). <https://doi.org/10.31357/ajmm.v1i02.5960>
- Khan, Z., Yang, Y., Shafi, M., & Ruo, Y. (2019). Role of Social Media Marketing Activities (SMMAs) in Apparel Brands Customer Response: A Moderated Mediation analysis. *Sustainability*, 11(19), 5167. <https://doi.org/10.3390/su11195167>
- Park, C., & Namkung, Y. (2022). The effects of Instagram Marketing Activities on Customer-Based Brand Equity in the coffee industry. *Sustainability*, 14(3), 1657. <https://doi.org/10.3390/su14031657>
- Statista. (n.d.). Statista - The Statistics Portal. <https://www.statista.com/Rukhsar>
- Iqbal, & Sadaf Khan. (2020). Impact of Social Media Marketing on Building Brand Equity: An Emperical Study of Pakistan Apparel Brand. *IKSP Journal of Business and Economics*, 1(2), 51–59.
- Roshini, P., & Maduka, U. (2021). Effect of Social Media Marketing on Purchase Intentions of Women’s Clothing and Accessories. *The American Journal of Humanities and Social Sciences Research*
- Yapa, U. (2017). The impact of social media on brand awareness (With special reference to Facebook use in fast moving consumer goods in Sri Lanka). *International Journal of Engineering and Management Research*, 7(5), 262–272. <https://www.indianjournals.com/ijor>