Examining the Mediating Role of Brand Equity on the nexus between Social Media Marketing and Customer Purchase Intention

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Abstract— The objective of our article is to shed light on the opportunities of social media marketing as an excellent brand equity constructs (brand awareness, brand association, perceived quality and brand loyalty) for improving customer purchase intention. To achieve our objective, we went through a literature review, based on previous studies, in order to identify our conceptual model and hypotheses. Subsequently, we tested these hypotheses with a quantitative study, based on a questionnaire intended for 175 hotel customers from the south west region and Douala city of Cameroon, the results obtained of our study are analysed by the modelling of structural equations, using the PLS approach (Partial Least Squares). The study reveals that brand equity has a strong positive direct effect on both social media marketing and customer purchase intention. On the other hand, customer purchase intention does not directly affect social media marketing significantly in this study. The study, on the other hand, reveals that brand equity influences customer purchase intention indirectly through its impact on social media marketing. The results also indicate that brand equity plays a crucial role in driving both social media marketing activities and customer purchase intention. Social media marketing serves as a pathway through which brand equity influences customer purchase intention. Therefore, the lack of direct effect from customer purchase intention to social media marketing suggests the study, and the study recommends that there are other factors that might be more influential in determining social media marketing activities. Therefore, marketers are advised to integrate strategies that leverage strengths identified in advertisement, social interaction, and celebrity endorsement while actively addressing challenges of gender disparity, age, and marital status to optimize brand equity, which affect customer purchase intention across the organisation.

Keywords— Brand Equity, Social Media Marketing and Customer Purchase Intention.

INTRODUCTION

The internet has become an essential tool for both consumers and suppliers in the hotel industry, facilitating information exchange and bookings. Statistics show that a significant number of hotel guests use the internet to plan their stays, with websites accounting for 57% of bookings and social media advertisements contributing to a notable 65% of same-day reservations. This trend highlights a shift away from traditional booking methods, such as travel agents, toward direct online reservations Radzi et al., (2017). Understanding the factors influencing online purchase intentions is crucial for practitioners and academics alike, as successful online shopping largely

depends on the customer's intention to buy (Park, 2010). Studies emphasize the importance of online reviews, word-of-mouth recommendations, and advertisements in shaping consumer behavior. While people often rely on personal recommendations, many also turn to online reviews, indicating a need for a deeper understanding of how these elements impact hotel bookings (Sparks and Browning, 2011). Despite various studies exploring factors like ease of use and perceived risk, there remains a gap in developing a comprehensive model that incorporates these influences, particularly in the context of hotels in regions like Cameroon (Radzi et al., 2017).

The rise of social media marketing, with approximately 3.80 billion active users globally, has transformed how hotels engage with customers. Social media platforms, originally intended for socialization, now serve as vital marketing tools, empowering customers to voice their opinions and influence brand perceptions. This shift necessitates that hotels adopt targeted social media strategies to enhance customer interaction and loyalty, as positive peer reviews can significantly impact purchase intentions (Hutter et al., 2013). Marketers must therefore understand the motivations and decision-making processes of customers to tailor their strategies effectively, ensuring that they meet the evolving demands of consumers in a digital landscape (Proctor et al., 2014).

Social media marketing plays crucial roles in shaping customer purchase intentions, particularly in the hotel industry. Research by Wu et al. (2011) highlights that customers' willingness to buy is significantly influenced by their attitudes and experiences shared through social media. Positive interactions with a brand can lead customers to advocate for it, demonstrating the importance of managing online perceptions. Factors such as personal preferences and situational changes further affect purchase intentions, underscoring the need for brands to engage effectively with their audience.

The concept of brand equity, introduced by marketing strategists in the 1980s, is essential for understanding consumer behavior in relation to hotel brands. Aaker (2013) defines brand equity as the added value customer's associate with a brand name, which can drive competitive advantage and influence purchasing decisions. This study posits that brand equity will serve as a mediating variable between social media marketing (independent variable) and customer purchase intention (dependent variable). Understanding customers' perceptions of brand equity is vital, as it can shape their loyalty and buying choices.

Furthermore, cultural differences can impact brand equity perceptions across diverse markets, but social media helps bridge these gaps by educating customers about hotel services. Effective social media marketing strategies can enhance brand awareness and foster loyalty, ultimately increasing customers' intentions to purchase. Aaker (2010) emphasizes that strong brand equity contributes to a brand's competitive positioning, making it essential for hotels to leverage social media to build favorable brand perceptions that drive consumer behavior and purchasing decisions. User interactions with brands on social media significantly impact customer decision-making, making it crucial for companies to understand the relationship between purchase intention, brand equity, and social media marketing (Chan, 2019). When customers successfully engage with a brand, particularly in the hotel industry their purchase intention will immediately increase.

After their first purchase, they are more likely to recognize the value of the hotel and develop loyalty (Kumar et al., 2016; Stojanovic et al., 2018). However, research has been limited regarding how users interact with brands,

particularly in developing countries, despite the growing importance of social media marketing as a tool for fostering these relationships. Recent advancements in communication technology have transformed how hotels connect with customers, prompting many to adopt social media marketing strategies to enhance brand visibility and engagement. Platforms such as Facebook, Twitter, Instagram, and LinkedIn have become effective channels for hotels to disseminate information about their services and promotions (Balakrishnan et al., 2014). As the hotel industry becomes increasingly competitive, customers have shifted their focus to seeking the best prices and rewards, often utilizing loyalty programs. However, these programs alone may not foster deep brand loyalty without an emotional connection to the brand (McMullan & Gilmore, 2003).

To thrive in this competitive landscape, hotels must prioritize building and maintaining brand loyalty among existing customers, as this is vital for long-term success (Heskett, 2002; McMullan & Gilmore, 2008). Emotional connections, reinforced through loyalty programs, can significantly enhance purchase intentions (Keiningham et al., 2008). Research by Reichheld and Sasser (1990) indicates that even a modest increase in customer retention can lead to substantial profit gains, underscoring the importance of effective loyalty strategies in reducing costs and driving revenue growth (McMullan & Gilmore, 2008).

The global tourism industry is significantly influenced by the hotel sector, particularly in developing countries where small, independent hotels dominate. Despite the rising presence of international hotel chains, these local establishments often struggle to leverage social media marketing effectively. This is particularly evident in Cameroon, where hotels tend to underestimate the importance of digital marketing in fostering customer purchase intentions. Many believe that simply organizing events will suffice to attract customers, failing to recognize that social media can reach a broader audience at a lower cost, ultimately influencing a larger portion of potential customers to consider their services.

In the context of Cameroon's challenging economic environment, hotels face intense competition for the same customer base, making it essential to adopt effective social media marketing strategies. The complexity of customer purchase intentions further complicates this landscape, as consumers' decisions are not homogeneous and can be influenced by various factors such as product choice, brand loyalty, and purchase timing. Understanding these dynamics is crucial for hotels seeking a competitive edge, particularly when they are competing not just locally but globally, necessitating innovative marketing approaches.

Recent studies highlight the varying preferences among customers regarding hotel attributes, such as cleanliness and amenities, and the impact of review quality on purchase intentions. Factors like the credibility of reviews and the reputation of hotel websites play crucial roles in shaping consumer behavior. However, much of the existing research has not adequately addressed the influence of social media marketing on brand equity and purchase intentions within the hotel industry.

This gap underscores the need for further localized studies in Cameroon to better understand how digital strategies can enhance customer engagement and drive sales in the hospitality sector. This study therefore helps to examine the mediating role of brand equity on social media marketing and customer purchase intention in hotels.

LITERATURE REVIEW

Conceptual Framework

This research will concentrate on the conceptual framework of social media marketing, brand equity, and customer purchase intention. This framework emphasises the dependent variables, which are brand equity (brand awareness, brand association, perceived quality, and brand loyalty) and customer purchase intention, and the independent variables, such as advertisement, celebrity engagement, and social interaction. This is to verify if these independent variables are significant on brand equity and customers purchase intention, with a focus on hotels in the Fako division and Douala city of Cameroon.
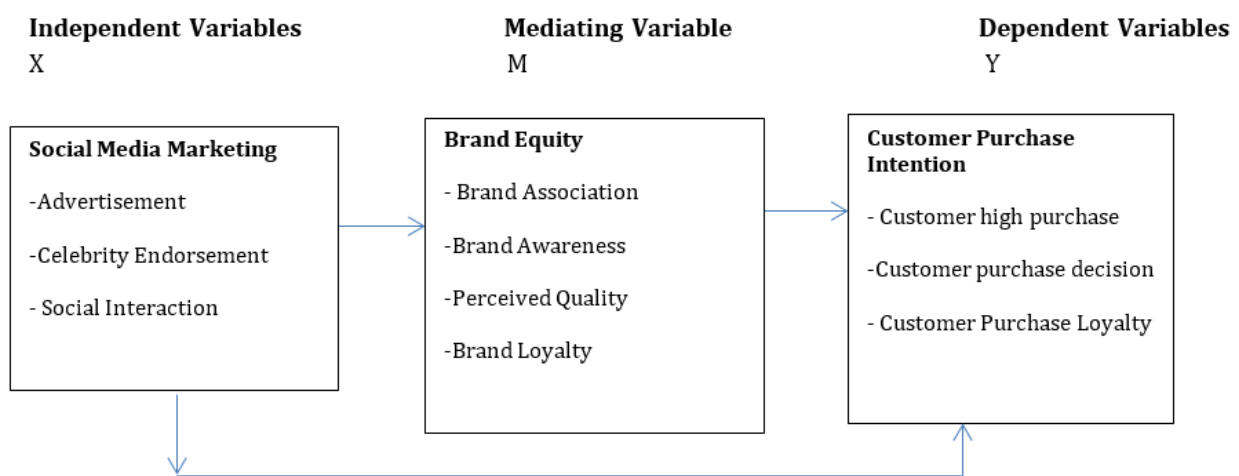

Figure 1: Conceptual Framework showing the relationship between social media marketing, brand equity and customer purchase intention | Source: Developed by the Researcher (2024)

Figure 1 shows the direct and indirect relationship between the independent, mediating, and dependent variables of this study. The direct relationship between the independent variable (social media marketing) and the dependent variable (customer purchase intention) is represented by (Y). The indirect relationship between social media marketing and customer purchase intention mediated by brand equity is represented by Y & M. The relationship between social media marketing and brand equity is represented by (Y), while the relationship between brand equity is represented by (M).

Theories and models of social media marketing, brand equity and customer purchase intention

Theory of Planned Behaviour

Planned Behavior

The Theory of Planned Behavior (TPB), developed by Ajzen in 1985 as an extension of the Theory of Reasoned Action, focuses on how individuals form intentions toward specific behaviors, which in turn predict actual behaviors. According to Bojei and Abu (2016), TPB emphasizes the positive or negative evaluations individuals make about behaviors, suggesting that consumers can plan and act deliberately based on their intentions. This framework posits that purchase intention, as an output variable, is grounded in behavioral intention, making it a key focus in understanding consumer behavior in various contexts, including social media marketing. In the realm

of social media marketing, TPB is particularly significant as it highlights how customer behaviors can be influenced through effective marketing strategies, such as content marketing and pay-per-click advertising. When hotels leverage social media to enhance brand awareness and improve their brand image, they can effectively increase consumer awareness and, consequently, their purchase intentions. By promoting their brands effectively on social media, hotels can foster customer engagement, leading to higher sales performance and a greater likelihood of customers choosing their services.

Resource- Based Theory

The Resource-Based Theory, initially proposed by Penrose in 1959 and further developed by scholars like Wernerfelt, Barney, and Teece, emphasizes that firms can achieve competitive advantage by leveraging their unique internal resources and capabilities. This theory asserts that valuable, rare, and difficult-to-imitate resources are key to sustaining a firm's market position. Unlike traditional views that focus on external market factors, the Resource-Based Theory encourages organizations to cultivate and utilize their internal strengths to outperform competitors. In the hospitality industry, this theory highlights how hotel chains and new entrants can replicate certain successful practices, but true competitive advantage lies in leveraging distinctive resources, such as a prime location, unique architectural design, or exceptional service culture. A hotel's internal factors, like employee motivation and leadership, significantly influence how effectively these resources are utilized. By identifying and enhancing their unique capabilities, hotels can differentiate themselves in the market, ensuring that their competitive advantages remain robust against imitation by others.

Knowledge-Based Theory

The knowledge-based view emphasizes knowledge as a crucial resource in building consumer relationships, particularly within marketing contexts. This approach considers how knowledge shaped by networks, cultures, and entrepreneurship affects interactions between firms and consumers. Effective knowledge sharing can significantly enhance decision-making regarding customer preferences and grievances, especially in industries like telecommunications where social media has become a primary tool for information gathering. In the hotel industry, the Knowledge-Based Theory (KBT) highlights the strategic role of knowledge for competitive advantage. Despite challenges such as measuring tacit knowledge and potential hoarding, KBT's insights are vital. Hotels can utilize knowledge to improve service quality, foster innovation, and adapt to market dynamics. By effectively managing knowledge assets, they can differentiate themselves and provide exceptional guest experiences, ultimately leading to greater success.

Customer-Based Brand Equity theory

Customer-Based Brand Equity (CBBE) is a framework that underscores the significance of customer perceptions and experiences in determining a brand's strength. According to Keller (2003), the power of a brand is shaped by what customers have heard, learned, felt, and seen over time, ultimately affecting their responses in the marketplace. This brand equity emerges when consumers have favorable, strong, and unique associations with the brand, reinforcing its impact on customer loyalty and relationships (Keller, 1993). In the hotel industry, CBBE provides essential insights for managing brand equity by highlighting the importance of customer perceptions and

loyalty. While the theory faces critiques related to its emphasis on internal brand perceptions and challenges in measurement, hotels can still leverage CBBE principles to enhance brand equity through effective management strategies and differentiated offerings. By balancing internal insights with a broader understanding of market dynamics and operational factors, hotels can strengthen customer relationships and maintain a competitive edge in the industry.

Empirical Literature

Ogr, Cag, Iktisadi and Tuurkiye(2022), assess the effect of social media marketing on brand equity and consumer purchase intention. The study makes use of 227 hotel customers who have a facebook account and actively follow any brand profile on Facebook. The data obtained were analyses through the Smart PLS program. The findings show that the effect social media marketing has a positive influence on brand equity and purchase intention. In the light of the findings obtained from the study, it was concluded that businesses can increase their brand value perception with planned and well-defined social marketing strategies. And that with social media marketing, businesses can gain significant advantage in many areas such as brand loyalty, reduced advertising expenses and increased profitability, access to a large consumer audience and altered brand attitudes into purchase behaviour.

Manyaga and Chika (2024) carry out study on the effect of social media marketing on brand equity and customer purchase intention. The aim of this study was to establish the effect of social media marketing on brand loyalty in the hospitality industry in Zimbabwe, with age as the mediator. Data was gathered from 223 hotel customers using a structured questionnaire with likert-type questions. The findings show that social media marketing positively influences brand loyalty in emerging market. Also, the study findings show that age moderate the effect of social media marketing on brand loyalty. The study contributes to the studies that proved a significant relationship between social media marketing and brand loyalty by including the moderating role of age thus, hospitality organisations are advised to utilise social media marketing in order to improve brand loyalty.

Methodology

The study makes use of cross-sectional and causal research design to investigate the constructs of certain entities. Hotel in Cameroon were considered as the area of study taken into consideration the south west region and Douala city. The population of the study was customers and convenience sampling technique was used with 175 sample size. The study also make use of questionnaires and partial least square structural equation modeling(PLS-SEM) were employed to interpret the causal relationship that measure latent variables.

Instrument of data collection and data analyses

This study will utilize primary data collected directly from hotels in the South West Region and Douala City, focusing on social media marketing's impact on customer purchase intentions. The data collection method involves distributing questionnaires to hotel guests through receptionists, ensuring original and specific insights into customer behaviors. The questionnaires will feature a five-point Likert scale and comprise three parts: a cover letter explaining the study, demographic questions to gather relevant background information, and queries addressing the independent and dependent variables.

For data analysis, both descriptive and inferential methods will be employed. Descriptive analysis will include summary tables and charts, while inferential statistics will utilize Partial Least Square Path Modelling (PLS-PM) to explore relationships between variables. Confirmatory and Explanatory Factor Analyses will assist in validating and testing relationships among observed variables. The evaluation of the model will involve comparing variance/covariance matrices to ensure the model accurately reflects the collected data.

Model on the mediating role of Brand equity (BE) on the nexus between social media marketing (SMM) and customer purchase intention (CPI).

Functional form: CPI =f(Age, Gender, Marital status, education level, (BE*SMM), BE,SMM) and the estimated equation is

CPI= δ_0+ δ_1BE + δ_2 SMM+δ_3(BE*SMM) + δ_4Age + $\delta_5$genderi+ $\delta_6$marital statusi+ $\delta_7$educational leveli + ξI   At aggregate level

CPI=f(AD, SI, CE, BE BE*AD, BE*SI, BE*CE, Female Age1 Age2 Age3 educ1 educ2 educ3 mar_status)//   at Individual level

Table 1. Measurement of Variables

Variables	Measurement	Author/Source
Independent Variable (Social Media Marketing)	Advertisement, Social Interaction and Celebrity Effects.	Ogr, Cag, Iktisadi and Tuurkiye(2022)
Mediating Variable (Brand Equity)	Brand Awareness Brand Association Perceived Quality Brand Loyalty	Aaker(1991)
Dependent Variable Purchase Intention	Purchase high intention Purchase high decision Purchase loyalty	De Magistries & Gracia (2008)

Source: Author's Conception (2024)

DISCUSSION OF RESULTS

Structural equation model

For inferential statistics, Partial Least Square Path Modelling (PLS-PM) or Partial Least Square Structural Equation Modelling (PLS-SEM) will be employed. SEM integrates Factor Analysis and Multiple Regression and is also referred to as causal modeling or analysis of covariance structure. It includes methods like confirmatory factor analysis and path analysis. In SEM, there are measured (observed) variables (indicators) and latent variables (factors). PLS-SEM consists of two components: the measurement model and the structural model (Ringle et al., 2024).

Figure 1.2 illustrates the relationships among several variables in the context of hotels in the South West Region and Douala City, Cameroon. It shows how social media marketing (including online advertising, celebrity

endorsement, and social interaction) influences customer purchase intention (reflected in high customer purchase, purchase decisions, and customer loyalty) and brand equity (encompassing brand awareness, brand association, perceived quality, and brand loyalty). Additionally, it highlights the mediating role of brand equity in the relationship between social media marketing and customer purchase intention.

Table 2. Reliability Analysis of the Constructs

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Brand Equity	0.547	0.858	0.742
Social media Marketing	0.590	0.611	0.786
Customer Purchase Intention	0.491	0.500	0.745

Source: Author's Estimation (2024)

From table 2, the cronbach's alpha is a measure of internal consistency reliability, which assesses how closely related a set of items are as a group. Cronbach's alpha ranges between 0 and 1. Generally, a higher alpha indicates higher internal consistency and reliability. A value of 0.547 suggests moderate internal consistency.

This means the items measuring brand equity (BE) are moderately correlated with each other. Similar to BE, SMM has a Cronbach's alpha of 0.590, indicating slightly better internal consistency compared to BE. Again, this suggests moderate internal consistency among the items measuring social media marketing.

This alpha value is lower compared to BE and SMM. A value of 0.491 indicates that the items measuring customer purchase intention have weaker internal consistency.

This could suggest that the items may not be as strongly correlated with each other compared to BE and SMM.

Also looking at the composite reliability (sometimes denoted as rho_a or rho_c) is another measure of internal consistency reliability, similar to Cronbach's alpha. It assesses the extent to which the observed variables (items) in a construct share variance due to the latent construct they are intended to measure.

The results indicated that brand equity has a composite reliability of the value 0.742, which indicates good reliability, while social media marketing shows the value 0.786, which also indicates good reliability, and customer purchase intention, which shows the value 0.745, indicates good reliability.

To conclude, composite reliability (rho_a or rho_c) values above 0.7 are generally considered acceptable for most research purposes, indicating good reliability. For brand equity (BE), both rho_a and rho_c are somewhat lower than desirable but still within a moderate to good reliability range.

While social media marketing (SMM) shows higher reliability with both rho_a and rho_c indicating good reliability. And finally, customer purchase intention has a lower rho_a (composite reliability), suggesting weaker reliability compared to the other constructs, although rho_c indicates good reliability.

Discriminant Validity using Heterotrait-Monotrait (HTMT)

To test discriminant validity, we used the Fornell-Larcker test (1981). It is established if the measurement indicators of a construct are more correlated with each other than with those of the other constructs. Table 2 shows the result of our model.

Table 3. Discriminant Validity using Heterotrait-Monotrait (HTMT)

	Brand Equity	Social Media Marketing	Customer Purchase Intention
Brand equity			
Social Media Marketing	0.942		
Customer Purchase Intention	0.835	0.744	

Source: Author's Estimation (2024)

The results in Table 3 provided that there exists a relationship of HTMT (Heterotrait-Monotrait) ratios for discriminant validity assessment between the constructs of brand equity, social media marketing, and customer purchase intention. The value (0.942) indicates that there exists a relationship between brand equity and social media marketing. Also, the value (0.835) indicates that brand equity and customer purchase intention have a positive relationship, and finally, (0.744) indicates that there exists a relationship between social media marketing and customer purchase intention.

Discriminant Validity using Fornell-Larcker Criterion

Table 4: Discriminant Validity using Fornell-Larcker Criterion

	Brand equity	Social Media Marketing	Customer purchase intention
Brand equity	0.657		
Social Media Marketing	0.529	0.744	
Customer Purchase Intention	0.471	0.301	0.704

Source: Author's Estimation (2024)

From table 4 the discriminant validity using the Fornell-Larcker criterion that the variance (0.657) (square of the correlation between brand equity and itself), there exist correlations with other constructs, also with social media marketing (0.529), with customer purchase intention (0.471), social media marketing indicates a variance (0.744) (square of the correlation between social media marketing and itself), and there exist correlations with other constructs. Based on brand equity (0.529) and customer purchase intention (0.301), customer purchase intention has a variance of (0.704) (the square of the correlation between customer purchase intention and itself), and there also exist correlations with other constructs. Finally, brand equity (0.47) and social media marketing (0.301).

Therefore, without the exact average values, a precise application of the Fornell-Larcker criterion cannot be done. This implies that if the squared correlation (variance) of a construct with itself (diagonal elements) is higher than its correlations with other constructs (off-diagonal elements), it suggests good discriminant validity. Since the variance (0.657) of brand equity is higher than its correlations with social media marketing (0.529) and customer purchase intention (0.471), the study suggests good discriminant validity between brand equity and the other

constructs. To conclude, the study indicates that there exists discriminant validity among brand equity, social media marketing, and customer purchase intention. The diagonal elements (variances) being larger than the off-diagonal elements (correlations with other constructs) generally support discriminant validity, pending confirmation with average values. Top of Form Bottom of Form

Discriminant Validity assessment by Cross loadings

Table 5: Discriminant Validity assessment by Cross loadings

	Social Media Marketing	Brand Equity	Customer Purchase Intention
Advertisement	0.517		
Social Interaction	0.422		
Celebrity Endorsement	0.398		
Brand Association		0.408	
Brand Loyalty		0.431	
Brand Awareness		0.197	
Perceived quality		0.449	
Customer High intention			0.560
Customer Purchase Intention			0.408
Customer Loyalty			0.755

Source: Author's Estimation (2024)

From table 5, the cross-loading of advertisement as a construct on social media marketing is (0.517), social interaction as cross-loading on social media marketing is (0.422), and celebrity endorsement as cross-loading on social media marketing is (0.398). Also, Brand Association as cross-loading on Brand Equity is (0.408), Brand Loyalty as cross-loading on Brand Equity is (0.431), Brand Awareness as cross-loading on Brand Equity is (0.197), and Perceived Quality as cross-loading on Brand Equity is (0.449). Finally, Customer High Intention as cross-loading on Customer Purchase Intention (0.560), Customer Loyalty as cross-loading on Customer Purchase Intention is (0.755), and Customer Purchase Intention: This should ideally cross-load highest on itself, but since it's not compared directly to another construct in this table, it's likely just listed here for completeness.

In table 4, most indicators show higher loadings on their intended constructs compared to others, which is a good sign for discriminant validity. For instance, advertisement (0.517), social interaction (0.422), and celebrity endorsement (0.398) all have higher loadings on social media marketing compared to any other construct listed. Similarly, Brand Association (0.408), Brand Loyalty (0.431), and Perceived Quality (0.449) show higher loadings on Brand Equity. And customer high intention (0.560) and customer loyalty (0.755) both have high loadings on customer purchase intention, indicating strong associations. To conclude, the indicators generally show stronger associations with their respective constructs compared to others, which supports discriminant validity, and this table suggests that the indicators are measuring distinct constructs as intended, as they exhibit higher loadings on their own constructs relative to others.

Cross-loadings are used to assess discriminant validity by examining the extent to which items load more strongly on their intended construct compared to other constructs. The results in 4 provided are cross-loadings of items (indicators) on their respective constructs, which include social media marketing, brand equity, and customer purchase intention. Cross-loadings indicate the strength of association between each item and its hypothesized construct relative to other constructs. Ideally, each item should load more strongly on its intended construct than on other constructs to support discriminant validity. Therefore, cross loading for social media marketing, that is, advertisement, has a load of (0.809),, social interaction (0.848), celebrity endorsement (0.879), brand equity, which is further divided into brand association with the cross loading of (0.746), brand loyalty (0.576), brand awareness (0.424), and perceived quality (0.810). Finally, the study reveals that customer purchase intention is divided into cross-loadings of customer high intention (0.750), customer purchase intention (0.595), and customer loyalty (0.755).

Based on the cross-loadings provided in table 4 above, "advertisement," "social interaction," and "celebrity endorsement" load highest on social media marketing, indicating they are more closely associated with this construct compared to brand equity or customer purchase intention. Similarly, constructs like "brand association," "brand loyalty," and "brand awareness" show higher loadings on brand equity. While constructs related to purchase intention and loyalty show higher loadings on customer purchase intention. In summary, based on the cross-loadings provided, there is evidence supporting discriminant validity among social media marketing, brand equity, and customer purchase intention constructs. The constructs generally align more strongly with their respective constructs compared to others, indicating that they effectively measure distinct aspects of each construct as intended in our study.

Multi Collinearity VIF

Table 6: Multi Collinearity VIF

	VIF
Advertisement	1.394
Social Interaction	1.135
Celebrity Endorsement	1.264
Brand Association	1.586
Brand awareness	1.102
Perceived Quality	1.559
Brand Loyalty	1.072
Customer high Purchase	1.127
Customer purchase Decision	1.095
Customer Loyalty	1.222

Source: Author's Estimation (2024)

Table 6 above indicates that advertisement has the variance inflation factor (1.394), social interaction (1.135), celebrity endorsement (11.264), brand association (1.586), brand awareness (1.102), perceived quality (1.559),

brand loyalty (1.072), customer high purchase (1.127), customer purchase decision (11.095) and customer loyalty (11.222). These variables indicate all the variance inflation factors are below 5, which implies that multicollinearity is not a significant concern among our predictor variables. This result seems good because high multicollinearity can lead to unreliable regression coefficients, making it difficult to assess the independent effects of individual predictors. Therefore, we can conclude the regression coefficients of these variables are less likely to be distorted by multicollinearity.

Analysis of mediating variables and hypothesis testing

The mediating variable is the variable that explains the effect and reason for the relationship between the independent variable and the dependent variable. In our case, the mediating variable is brand equity (brand awareness, brand association, perceived quality, and brand loyalty). In the analysis of the effect of mediation, we will follow the method proposed by Preacher and Hayes (2008).

Top of Form - Bottom of Form - Mediation results

Table 7: Mediation results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV	T Statiscs	P values
Direct effect					
Brand Equity -> Social Media Marketing	0.584	0.584	0.124	4.854	0.000
Customer Purchase Intention-> Brand Equity	0.469	0.469	0.088	5.328	0.000
Customer Purchase Intention -> Social Media Marketing	-0.064	-0.083	0.213	0.298	0.765
Indirect Effect					
Brand equity-> Social media marketing-> customer purchase intention	0.274	0.275	0.080	3.413	0.001

Source: Author's Estimation (2024)

From table 7 above, the original sample (O) is (0.584), and the and the sample mean (M) is also 0.584, indicating consistency. The standard deviation associated with this coefficient is 0.124, the t-value is 4.854, and the p value is 0.000, which indicate that the result is highly statistically significant (typically p < 0.05). This can therefore indicate that there is a strong positive direct effect of brand equity on social media marketing. This means as brand equity increases, social media marketing also tends to increase significantly.

Also, looking at the relationship of customer purchase intention and brand equity, the original sample is 0.469, with the sample mean of 0.469, showing there is consistency. The standard deviation is associated with the coefficient of 0.088, the t-value of 5.328, and the p-value of 0.000, indicating strong statistical significance. Therefore, it can be concluded that there is a strong positive direct effect of customer purchase intention on brand

equity. This suggests that higher levels of customer purchase intention in the hotel are associated with higher levels of brand equity. To conclude, looking at customer purchase intention and social media marketing, the original sample is -0.064, the sample mean is -0.83, the standard deviation associated with this coefficient is 0.213, the t-value is 0.298, and the p-value is 0.765, indicating a lack of statistical significance (p > 0.05). It can therefore be concluded that there is no significant direct effect of customer purchase intention on social media marketing. The relationship between these variables is not statistically meaningful in this context.

Going by the indirect effect between brand equity, social media marketing,Social Media Marketing and customer purchase intention, the original sample is 0.274, with a with a sample mean of 0.275, a standard deviation of 0.080, a t value of 3.413, and a p value of 0.001, indicating a strong statistical significance of the variables.

This indicates that there is a significant indirect effect of brand equity on customer purchase intention through social media marketing, meaning the more hotel owners carry out social media marketing on their products or services, the more their brand will be well known by customers, and they will not only have the intention to purchase the hotel products or services, but they will also become loyal and potential customers of the hotel's products. This suggests that brand equity influences customer purchase intention partially through its effect on social media marketing. The mediation effect is statistically supported. Conclusively, brand equity has a strong positive direct effect on both social media marketing and customer purchase intention. However, customer purchase intention does not directly affect social media marketing significantly in this model.

While brand equity influences customer purchase intention indirectly through its impact on social media marketing. This indirect effect is statistically significant. These results indicate that brand equity plays a crucial role in driving both social media marketing activities and customer purchase intention. Social media marketing serves as a pathway through which brand equity influences customer purchase intention. The lack of direct effect from customer purchase intention to social media marketing suggests that in your model, other factors might be more influential in determining social media marketing activities.

CONCLUSION

The mediation analysis was followed by the structural equation modeling, and it revealed that higher brand equity (BE) is associated with higher social media marketing (SMM). While higher customer purchase intention is associated with higher brand equity (BE). This indicates that there is no statistically significant relationship between customer purchase intention and social media marketing. Also, looking at the indirect relationship, it is revealed that customer purchase intention has a significant indirect effect on social media marketing through other variables in the model.

This indirect effect is statistically significant, meaning that as customer purchase intention changes, it influences social media marketing through some pathway or mediator variables. The significant total indirect effect provides insight into the complex relationships between these constructs in the context, suggesting that understanding and possibly leveraging customer purchase intention can impact social media marketing indirectly through other factors such as customer engagement, content creation, and social media platform forms.

Furthermore, looking at the direct effect, the study shows that brand equity, social media marketing, and customer purchase intention have a significant positive relationship, meaning when a company advertises their brand on social media, many customers will be aware of the existence of the brand, and they will have the intention of purchasing from the hotel brand. Going by the last objectives, we can infer that the study findings highlight the pivotal role of brand equity in mediating the relationship between social media marketing and customer purchase intention in hotels. By enhancing brand equity, hotel owners can potentially take the aspect of brand equity (bbrand awareness, brand association, perceived quality, and brand loyalty) seriously so as to market their hotel products/services via social media marketing (aadvertisement, social interaction, and celebrity endorsement) in order to cause customers to have the intention to purchase the hotel products/service while not becoming high purchasers and loyal purchasers. This will end up not only making the hotel brand known worldwide but will also increase the sales volume of the hotel and keep a long-lasting relationship between the company and their customers.

To conclude, this study enhances our understanding of the interplay between social media marketing (advertisement, social interaction, and celebrity endorsement), brand equity (bbrand awareness, brand association, perceived quality, and brand equity), and customer purchase intention in hotels. Conclusively, brand equity has a strong positive direct effect on both social media marketing and customer purchase intention. However, customer purchase intention does not directly affect social media marketing significantly in this model. While brand equity influences customer purchase intention indirectly through its impact on social media marketing. This indirect effect is statistically significant. These results indicate that brand equity plays a crucial role in driving both social media marketing activities and customer purchase intention. Social media marketing serves as a pathway through which brand equity influences customer purchase intention. The lack of direct effect from customer purchase intention to social media marketing suggests that in your model, other factors might be more influential in determining social media marketing activities.

RECOMMENDATION

For the objectives, the study recommends that, since the heterotrait-monotrait (HTMT) value between brand equity and social media marketing is high, it may be useful to reassess the definitions and measurement items of these constructs. Ensure that they are conceptually distinct and adequately represented by their respective items.

The significant indirect effect suggests that enhancing brand equity could improve customer purchase intention through social media marketing. Therefore, hotel managers are called upon to develop strategies that will strengthen brand equity, as this can positively influence customer purchase behaviors via effective social media marketing campaigns. Looking at the direct effect, hotel managers are also advised to invest in improving social media marketing efforts, as it is directly impacted by brand equity. Additionally, they should consider ways to enhance brand equity to leverage its direct effects on social media marketing and, indirectly, on customer purchase intention. Finally, going by the non-significance effect, it shows there is a lack of a significant direct effect between customer purchase intention and social media marketing, suggesting that the relationship might be more complex or mediated.

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