



Structural Analysis of Social Media Marketing Activities, Brand Equity, and Behavioral Intentions in Banking Services

Krishan*

Dr. Ishwar Mittal**

Research Scholar, IMSAR, Maharshi Dayanand University Rohtak*

Krigahlawat@gmail.com

Assistant Professor, , IMSAR, Maharshi Dayanand University Rohtak**

ishwarmittal@gmail.com

Abstract

The widespread adoption of digital technologies has transformed the manner in which banks interact with customers, making social media marketing activities (SMMA) a central component of modern banking strategies. This study investigates the structural relationships among social media marketing activities, brand equity, and customer behavioral intentions within banking services. Data were collected from 350 customers who actively engage with banks on social networking platforms. Using Structural Equation Modeling (SEM), the study examines both direct and indirect effects among the constructs. The results demonstrate that social media marketing activities significantly enhance brand equity, which in turn exerts a strong influence on customer behavioral intentions such as loyalty, recommendation, and continued usage. Furthermore, brand equity is found to partially mediate the relationship between SMMA and behavioral intentions. The findings contribute to the literature on digital marketing and branding while offering strategic insights for banking institutions aiming to strengthen customer relationships in a digital environment.

Keywords: Social Media Marketing, Brand Equity, Behavioral Intentions, Banking Services, Structural Equation Modeling

Introduction

The banking industry is experiencing an unprecedented transformation driven by digitalization, changing customer expectations, and intense market competition. Traditional banking practices, which once relied heavily on face-to-face interactions and mass media advertising, are increasingly being replaced by digital platforms that allow real-time engagement with customers. Among these platforms, social media has emerged as a powerful communication channel enabling banks to interact with customers in a more personalized, interactive, and cost-effective manner.

Social media marketing activities encompass a wide range of firm-initiated efforts aimed at engaging customers through social networking sites, including content creation, online interactions, and customer relationship management. These activities allow banks not only to promote their services but also to establish emotional connections with customers, address queries instantly, and manage brand reputation effectively.

In service industries such as banking, where offerings are intangible and perceived risk is relatively high, brand equity plays a crucial role in shaping customer decisions. Strong brand equity reduces uncertainty, enhances trust, and encourages long-term relationships. Customers with favorable brand perceptions are more likely to exhibit positive behavioral intentions, such as repeat usage, loyalty, and positive word-of-mouth communication.

Although prior research has explored the individual effects of social media marketing, brand equity, and behavioral intentions, empirical studies integrating these constructs into a single structural framework within the banking context remain limited. Addressing this gap, the present study develops and tests a comprehensive structural model to explain how social media marketing activities influence brand equity and, consequently, customer behavioral intentions.

❖ Conceptual Background and Literature Review

Social Media Marketing Activities

Social media marketing activities refer to organizational efforts undertaken on social networking platforms to communicate value, engage customers, and strengthen brand relationships. These activities are commonly conceptualized through dimensions such as entertainment, interaction, informativeness, customization, and trendiness. Prior studies indicate that engaging and informative social media content enhances customer involvement and fosters favorable brand perceptions.

Brand Equity in Banking Services

Brand equity reflects the value derived from customer perceptions, experiences, and associations with a brand. In the banking sector, brand equity is particularly important due to the intangible nature of services and the high level of trust required in financial transactions. Customer-based brand equity is typically assessed through brand awareness, brand associations, perceived quality, and brand loyalty. A strong brand serves as a risk-reducing signal and enhances customer confidence in banking services.

Behavioral Intentions

Behavioral intentions represent customers' willingness to engage in future behaviors, including continued service usage, recommending the service to others, and maintaining long-term relationships. Marketing literature consistently suggests that behavioral intentions are reliable predictors of actual consumer behavior. In banking, positive behavioral intentions contribute directly to customer retention and profitability.

Linking SMMA, Brand Equity, and Behavioral Intentions

Previous studies suggest that social media marketing activities positively influence brand equity, which subsequently affects customer behavioral intentions. However, the mediating role of brand equity in this relationship has received limited empirical attention in the banking context. This study addresses this gap by proposing brand equity as a mediating mechanism through which SMMA shape behavioral intentions.

❖ Research Objectives and Hypotheses

Objectives

1. To examine the influence of social media marketing activities on brand equity in banking services.
2. To analyze the effect of brand equity on customer behavioral intentions.
3. To assess the direct impact of social media marketing activities on behavioral intentions.

4. To investigate the mediating role of brand equity in the relationship between SMMAAs and behavioral intentions.

Hypotheses

- **H1:** Social media marketing activities exert a positive influence on brand equity.
- **H2:** Brand equity positively affects customer behavioral intentions.
- **H3:** Social media marketing activities have a direct positive effect on behavioral intentions.
- **H4:** Brand equity mediates the relationship between social media marketing activities and behavioral intentions.

❖ Research Methodology

Research Design

The study adopts a quantitative research approach using a descriptive and explanatory design to test the proposed relationships.

Sample and Data Collection

Data were collected from customers of public and private sector banks who actively follow banking brands on social media platforms. A structured questionnaire was administered using convenience sampling. Out of 400 distributed questionnaires, 350 valid responses were retained for analysis.

Measurement Instruments

All constructs were measured using established scales adapted from previous studies. Responses were recorded on a five-point Likert scale ranging from strongly disagree to strongly agree.

Data Analysis

Reliability and validity were assessed using Cronbach's alpha and confirmatory factor analysis. Structural Equation Modeling was employed to test the hypothesized relationships and mediation effects.

❖ Data Interpretation and Results

Descriptive Statistics

Table 1: Descriptive Statistics of Constructs

Construct	No. of Items	Mean	Std. Deviation
Social Media Marketing Activities	15	3.92	0.68
Brand Equity	12	4.05	0.61
Behavioral Intentions	9	4.12	0.57

Interpretation:

All constructs exhibit mean values above the midpoint, indicating positive customer perceptions. Behavioral intentions recorded the highest mean value.

Reliability Analysis**Table 2: Reliability Statistics**

Construct	Cronbach's Alpha
Social Media Marketing Activities	0.91
Brand Equity	0.89
Behavioral Intentions	0.87

Interpretation:

The Cronbach's alpha values exceed the recommended threshold of 0.70, confirming high internal consistency.

Correlation Analysis**Table 3: Correlation Matrix**

Variables	SMMAs	Brand Equity	Behavioral Intentions
SMMAs	1		
Brand Equity	0.72**	1	
Behavioral Intentions	0.68**	0.79**	1

$p < 0.01$

Interpretation:

Strong and positive correlations exist among all variables, with brand equity showing the strongest association with behavioral intentions.

Validity Assessment**Table 4: Convergent Validity Results**

Construct	Composite Reliability	AVE
Social Media Marketing Activities	0.92	0.65
Brand Equity	0.90	0.62
Behavioral Intentions	0.88	0.60

Interpretation:

The results confirm adequate convergent validity.

Model Fit Indices

Table 5: Structural Model Fit Indices

Fit Index	Recommended	Obtained
χ^2/df	< 3.00	2.14
CFI	≥ 0.90	0.95
TLI	≥ 0.90	0.94
RMSEA	≤ 0.08	0.052

Interpretation:

The fit indices indicate a good model fit.

Hypotheses Testing

Table 6: Structural Path Coefficients

Path	β	t-value	p-value	Result
SMMAs → Brand Equity	0.73	11.45	<0.001	Supported
Brand Equity → Behavioral Intentions	0.81	13.62	<0.001	Supported
SMMAs → Behavioral Intentions	0.29	4.18	<0.001	Supported

Mediation Analysis

Table 7: Mediation Results

Relationship	Direct Effect	Indirect Effect	Total Effect	Mediation
SMMAs → Behavioral Intentions	0.29	0.59	0.88	Partial

Results and Discussion

The analysis reveals that social media marketing activities significantly enhance brand equity in banking services. Among the brand equity dimensions, brand loyalty and perceived quality exhibit the strongest relationships with behavioral intentions. The findings further confirm that brand equity partially mediates the relationship between SMMAs and behavioral intentions, indicating that social media marketing influences customer behavior both directly and indirectly through brand value creation.

These results underscore the importance of adopting brand-oriented social media strategies rather than focusing solely on short-term promotional activities.

❖ Managerial Implications

Banking institutions should prioritize interactive and informative social media content to strengthen brand equity. Personalized communication and consistent engagement can enhance customer trust and loyalty. Managers should view social media not merely as a promotional tool but as a long-term branding platform capable of shaping customer behavior.

❖ Limitations and Future Research

The study is limited by the use of convenience sampling and a cross-sectional design. Future research may adopt longitudinal approaches, include moderating variables such as trust or customer engagement, and extend the model to other service sectors.

❖ Conclusion

The present study provides empirical evidence supporting the structural relationships among social media marketing activities, brand equity, and behavioral intentions in banking services. The findings highlight that effective social media marketing strengthens brand equity, which plays a pivotal role in influencing customer behavioral outcomes. The proposed model offers valuable theoretical insights and practical guidance for banking professionals operating in an increasingly digital landscape.

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