



Impact of a sustainable brand on improving business performance of airport enterprises: The case of Incheon International Airport



Yung-Kil Lee ^a, Jin-Woo Park ^{b, *}

^a Department of Business Administration, Soongsil University, 369, Sangdo-Ro, Dongjak-gu, Seoul, 06978, South Korea

^b School of Business, Korea Aerospace University, 200-1, Hwajeon-dong, Deokyang-gu, Goyang-si, Gyeonggi-do, 421-791, South Korea

ARTICLE INFO

Article history:

Received 30 December 2014

Received in revised form

6 October 2015

Accepted 12 January 2016

Available online 26 January 2016

Keywords:

Sustainable brand

Social media

Transparency

Social responsibility

Incheon International Airport

ABSTRACT

This research attempted to help understand brand management from a new perspective suited to the digital age. The purpose of this research is to empirically analyze direct and indirect influences on the relationships between sustainable brands and the enhancement of airport business performance by examining the relationships between social media, transparency, social responsibility, sustainable brand and airport business performance. For this testing, 304 questionnaires were collected from employees of Incheon International Airport. Results of the testing indicated that social media, transparency, and social responsibility had a significant influence on airport business performance through a sustainable brand. It was found that the mediation effect of a sustainable brand was significant as well. Results of this research are meaningful in that they provide implications and insights for enterprise brand management in the digital environment.

© 2016 Elsevier Ltd. All rights reserved.

1. Introduction

The advent of today's full-pledged digital age requires a new management paradigm. Social media such as Twitter, Facebook, LinkedIn, and YouTube have become major communication methods. In the digital environment, individual opinions of interest groups on companies and brands are freely exchanged. This social phenomenon and the advent of social media have made brand management far more difficult for enterprises.

Traditionally, research on brands in the business management field has been conducted in various ways depending on scholars and viewpoints. A look at different approaches, taken from previous research on brands, reveals that they include the economic approach, the identity approach, the consumer-based approach, the personality approach, the relational approach, the community approach, and the cultural approach. These approaches have improved and evolved focusing on new aspects that involve contextual influences (Tilde et al., 2009). However, research on social media, transparency of providing information, and the relationship between social responsibility and a brand, has not been conducted in a comprehensive approach, which is in accord with

the digital environment. Thus this study attempts to explore how social media, transparency of information provision, and social responsibility influence the relationship between a sustainable brand and business outcomes in the airport enterprise, which provides various services within the digital environment.

Nowadays, the advent of a full-fledged digital era requires management of a new brand for airports. Image and reputation of an airport can be affected by the appearance of social media since diverse stakeholders can receive and send their thoughts and experience on an airport or a brand freely through social media. Accordingly, social media becomes an important factor in managing brand of an airport. Especially, an airport needs to manage its brand for diverse airlines, tourism experts, passengers, and potential customers. The reason is, for growth and development an airport should continue promotion and marketing activities on an on-going basis with airport users and potential customers as target. For the purpose, an airport should examine very carefully whether its brand is a sustainable one.

Accordingly, this research will attempt to answer the following questions: First, how do social media, transparency, and social responsibility affect the relationship between sustainable brand and business performance? Second, does sustainable brand have a mediating effect on the improvement of airport business performance? Third, how much explanatory power do the influential factors have on the improvement of airport business performance?

* Corresponding author.

E-mail addresses: leeyk0426@naver.com (Y.-K. Lee), jwpark@kau.ac.kr (J.-W. Park).

This research is significant in the sense that it provides suggestions and insights for brand management in accord with the digital age to improve business performance of the airport enterprise.

2. Theoretical background

There exists a variety of brand factors that affect business performance. Company can maintain its brand image through various variables such as social media, transparency, social responsibility, sub-brands, co-brands, sponsorship and advertising campaigns, etc and business performance can be enhanced by improving brand image and brand value. This research is focused on social media, transparency, and social responsibility among a variety of variables that influence sustainable brand and business performance. Therefore, this research proposes a conceptual model that investigates the effects of social media, transparency, social responsibility, and sustainable brand on business performance. The following section presents an overview of referential literature leading to the establishment of the proposed conceptual model.

2.1. Social media and brand

Social media is a comprehensive term for the online framework and platform used by people who share their opinions, thoughts, experiences, and viewpoints with others (Lindsay, 2011). It enhances communications among users, helps form powerful online interest groups, and exercises enormous social influences. Global enterprises are viewing social media as a two-way communication channel with customers. One of the distinctive characteristics of the digital age when it comes to customers or consumers is that information flows freely. Social media has a big influence because it directly connects information producers with consumers in real time. Independent of corporate intensions, content and conversations about products or services are being produced by consumers themselves and spread and disseminated rapidly (Chan-Olmsted and Kim, 2001; Todreas, 1999).

Most social media platforms were traditionally used as a means to communicate among friends and other people discussing mutual interests (Correa et al., 2010). However, the enterprise uses it to promote its brand and support communities (Kaplan and Haenlein, 2010). Twentyman (2010) discusses ways to use social networking to communicate with passengers at airport touchpoints. The airport enterprise also discuss the role of social media to support new air route development and increase commercial profit (Nigam et al., 2011).

Halpern (2012) investigated types of social media use among 1559 member airports by using the Airports Council International membership database. According to this research, Facebook is used by 13% of the airports, Twitter by 12%, LinkedIn by 7%, and YouTube by 4%. It's been found that the majority of the airports were using at least one type of the four social media networks. Generally, passengers use social media to obtain flight information and other information helpful to plan for their trips. However, airport administrators use social media to attract airlines as well as to connect with all types of customers including stakeholders. The airport enterprise tends to focus on social media as a means of marketing (Weinberg and Pehlivan, 2011). This is because the airport enterprise uses social media for advertisement, boosting sales, promotion, and brand management. Especially, in recent years almost all major airports in the world including Incheon International Airport (IIA) are oriented towards a smart airport to accomplish their marketing policies. And for the purpose, they are making every effort to provide airport-related information and airport use facilities that can be utilized by their smart phones and personal digital assistants (PDAs). Additionally, the airport enterprise uses social

media for research and development. In other words, the enterprise uses it to: survey customer satisfaction, develop new air routes and manage their brand. Accordingly, this means that airport social media communities are valuable when the airport enterprise discusses with airlines, tourism business operators, and other stakeholders on brand management and opportunities for air route development. Thus this research is based on the premise that social media will influence sustainable brand, and proposes the following hypotheses.

H1. Social media will have a positive influence on business performance.

H2. Social media will have a positive influence on sustainable brand.

2.2. Relationship between transparency and brand

Transparency enables effective operation of the airport enterprise by disclosing information. This enhances the trust that stakeholders, including airport users, have about the airport, and thus contribute to boosting the airport's image. Additionally, this means the information being proved to airport users and stakeholders should be reliable and presented in an open and honest way. Transparency, in the sociological sense, is closely related to the flow of information. It means the information is understandable and freely accessible to everyone including stakeholders.

According to Berggren and Bernshiteyn (2007), enterprises gain their business performance through enhancing transparency. By focusing on organizational transparency, they stress the importance of the roles of each employee within the organization. That is, they emphasize that the level of transparency getting across to employees influences the performance of the organization. Enterprises need to make the necessary information about current operation and future prospects clearly known to stakeholders. Information transparency and openness can boost trust among stakeholders about the company's prospects (Patel et al., 2002). Accordingly, a transparent enterprise can receive a good reputation from stakeholders. On the basis of the previous studies, the following hypotheses are proposed:

H3. Transparency will have a positive influence on business performance.

H4. Transparency will have a positive influence on sustainable brand.

2.3. Relationship between social responsibilities and brand

The first scholarly discussion about Corporate Social Responsibility (CSR) was formalized by Bowen (1995) in his writing 'Social Responsibilities of the Businessman.' Subsequent discussions focused on CSR concept definitions during 50s–60s, on the Corporate Social Performance Model in the 70s–80s, the Stakeholder Model in the 90s, and finally on Strategic Corporate Social Responsibility, in which they have market-based discussions focusing on the effects of social contributions on organizational performance. Based on these theoretical backgrounds, a variety of empirical studies on social contribution have been conducted. They focus on both internal and external factors affecting the enterprise. This type of research, mainly developed in the economics and business administration fields, looks at internal characteristics of a focal organization to search for causes suitable for its social responsibility. In other words, the viewpoint focuses on business performance of the enterprise, characteristics of its marketing

Download English Version:

<https://daneshyari.com/en/article/1030672>

Download Persian Version:

<https://daneshyari.com/article/1030672>

[Daneshyari.com](https://daneshyari.com)