

**THE INFLUENCE OF SOCIAL MEDIA ON GROWTH IN HOSPITALITY
INDUSTRY.**

(A CASE STUDY OF LA QAFFE HOTEL IN EMBU TOWN)

BY

KIURA CHRISTINE NJERI

INDEX NUMBER:

INSTITUTION: JEREMIAH NYAGA TECHNICAL INSTITUTE

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF A DIPLOMA IN FOOD
AND BEVERAGE, PRODUCTION, SERVICE AND SALES.**

AUGUST, 2021

DECLARATION

I, the undersigned, declare that this research project is my original work and it has not been presented in any other institution for academic credit.

NAME : KIURA CHRISTINE NJERI

SIGNATURE :

DATE :

This research project has been submitted for examination with my approval as the supervisor.

NAME : ENOCH MICHENI

SIGNATURE :

DATE :

ACKNOWLEDGEMENT

I thank The Almighty God for granting me good health and insight while writing this project. I'd like to extend my gratitude to Mr. Enoch Micheni for his invaluable input from the point of inception of this research to its completion. I'd also like to thank the staff at La Qaffe Hotel for all the assistance rendered during the data collection process. Special thanks go to my family and friends for their immense and invaluable support throughout this entire process of writing this project.

DEDICATION

This project is dedicated to my parents for their encouragement and support throughout my studies.

ABSTRACT

In the last decade, there's been a significant increase in the use of social media worldwide, with the internet having revolutionized communication, among individuals and organizations. Due to this increased use of Social Media sites, many companies view the use of online communication as a profitable and worthwhile marketing tool. Lately, Kenya has been experiencing turbulent times, with regards to performance in the hospitality industry, as a result, many hotels being closed down, with the additional laying off of staff, therefore, with the significant increase in the use of Social Media, in both the tourism and hospitality industry, there is a high probability that ,great progress will be made on the same. In summary, the importance of Social Media in enhancing positive relationships between customers and business stakeholders cannot be gain said(Faith, 2014). In line with the obvious importance of Social Media in the hospitality industry, as portrayed in the above paragraph, this study's main objectives include; determination of the influence of Social Media tools on organization profitability, customer flow, customer satisfaction and revenue levels in the Hospitality Industry. The target population will comprise of 50 individuals, namely; General Manager, Sales Manager, and Accounts Officer, Service and Housekeeping Supervisor and finally, a minimum of 45 customers. Several theories have been used to explain the significance of Social Media tools on various organizations. They've been classified into three main categories; macro theories (social network analysis, Mc-Luhan's media and marketing theories), micro theories such as psychological ownership and social exchange theories and finally pseudo theories(recent conceptual frameworks in marketing and SM, proposed mostly by non-academics) by Dave Evans and the Altimeter group. Tassave 2010,brings out a very interesting picture on the role of Social media marketing in the hospitality industry, he demonstrates how hotels can save money, build and grow networks, in addition to enhancing relationships between customers. The key social media tools mentioned include; FB, Twitter, Google+, Youtube, Whatsapp and Instagram. A variety of tools can be used to measure SM influences on the hospitality industry, though most marketers assume that measuring SM Return On Investment (ROI) is unnecessary. However, considering the importance of social media marketing in attaining company success, all companies are advised to reflect on the variety of SM tools at their disposal and the measurement techniques that they can use to help them achieve their goals. To ensure the objectives of this study are attained, the study design adopted will include an in depth interview, whereby several individuals will be subjected to a series of questions by the researcher on a face to face setting.

TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGEMENT.....	iii
DEDICATION.....	iv
ABSTRACT.....	v
TABLE OF CONTENTs.....	vi
ABBREVIATIONS AND DEFINITION OF TERMS.....	ix
1.0 CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of study.....	1
1.2 Problem statement.....	2
1.4 Objectives.....	3
1.4.1 Main Objective.....	3
1.4.2 Specific Objectives.....	3
1.5 Scope of Study.....	3
1.6 Limitation of Study.....	4
CHAPTER TWO: LITERATURE REVIEW.....	5
2.1 Introduction.....	5
2.2 Theoretical Literature.....	5
2.2.1 Macro theories.....	5
2.2.2 Micro theories.....	7
2.2.3 Pseudo-theories.....	8
2.2.4 An Integrated Meta-Framework.....	9
2.3 Empirical Literature.....	10
2.3.1 Social Media & Social Media Marketer.....	11
2.3.2 Social Media Contribution to Stakeholder Goals.....	12
2.3.3 Social Media Tools.....	12
2.4 Measuring Social Media Influences.....	13

2.4 Conceptual Framework.....	14
3.2 Target population.....	18
3.3 Sampling Design and Method.....	18
3.4 Sample Size.....	19
3.5 Data Collection, method and instrument.....	19
3.6 Type of Data.....	19
3.7 Data Analysis and Presentation.....	19
3.8 Ethical Considerations.....	20
CHAPTER FOUR: RESULTS, FINDINGS AND DATA ANALYSIS.....	21
4.0 Introduction.....	21
4.2 Demographic information.....	21
4.2.1 Gender of Respondents.....	21
4.2.2 Age of Respondents.....	22
4.2.3 Respondent's Level of Education.....	22
4.2.4 Number of Years in Business Profession.....	23
4.3 SM and its influence.....	23
4.3.1 Questions posed to La Qaffe Customers.....	24
4.3.2 : Questions posed to La Qaffe Staff.....	24
5.0 CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	25
5.2 Summary of Findings.....	25
5.3 Conclusion.....	25
5.4 Recommendations.....	26
5.6 Areas for Further Research.....	26
REFERENCES.....	27
APPENDICES.....	29
APPENDIX I: LETTER OF TRANSMITTAL.....	29
APPENDIX II: QUESTIONNAIRE.....	30

LIST OF TABLES

Table 4.1.....	Gender of respondents
Table 4.2	Age of respondents
Table 4.3	Respondents level of education
Table 4.5.....	SM and its influence in the hospitality industry.

ABBREVIATIONS AND DEFINITION OF TERMS

SM	Social Media
HI	Hospitality Industry
FB	Face Book
SN	Social Network
SNT	Social Network Theory
ROI	Return on Investment
CAC	Customer Acquisition Cost
GM	General Manager

1.0 CHAPTER ONE: INTRODUCTION

1.1 Background of study

In the last decade, there's been a significant increase in the use of social media (SM) worldwide, with the internet having revolutionized communication, among individuals and organizations thereby overcoming both time and geographical constraints, enabling companies and consumers to connect (Harris & Rae, 2009).

Social media is a second generation of web development and design aimed at facilitating communication and securing information sharing, interoperability and collaboration on World Wide Web (Paris, Lee & Seery, 2010 p.531). There are numerous SM sites, the most popular ones being: Facebook, Twitter, Instagram and Whatsapp. In 2010, Twitter announced it had over 75 million users, with Facebook reporting to have 500 million users (Paris et al., 2010; Owyang, 2010). Averagely, consumers spend upto 5 and a half hours a day participating in these SM sites (Nelsonwire, 2010). Due to this increased use of SM sites, many companies view the use of online communities as a profitable and worthwhile marketing tool. In addition to this, these same companies have been able to obtain vast amounts of feedback regarding their brands (products) by monitoring consumer responses via online conversations thus enabling them to mitigate any arising issues as well as preventing future crisis, and improving future brand performance (Madupu, 2006). In general, the overwhelming appearance of SM platforms has resulted in creation of numerous opportunities to attract customers through facilitated communication and empowered guest engagement.

Despite SM's obvious numerous benefits, several challenges have been encountered; with the main challenge being determining its business value,

because it is commonly perceived that SM's return on investment in the hospitality industry cannot be measured. Additionally, the return on investment is not always considered a concrete aspect e.g. business reputation or brand associations (with specific characteristics) cannot be measured. Although the financial aspects cannot be foreseen in the end, it is apparent that there is a significant relationship between the two. This is evidenced by the fact that socially engaged companies tend to be more financially successful (Sterne, 2010). To ensure financial success, it is vital for companies to have online presence, enabling them to observe and attentively measure social engagements.

1.2 Problem statement

Over the last two decades, Kenya has been experiencing turbulent times, with regards to performance in the hospitality industry. The end result being, low profits across the economy, with this horrible picture being replicated in the hospitality industry as well. Many hotels have been closed, with the additional laying off of staff. The importance of SM in enhancing positive relationships between customers and business stakeholders cannot be gainsaid (Faith, 2014). Therefore, with the significant increase in the use of SM, in both the tourism and hospitality industry, there is a high probability that ,great progress will be made on the same. Currently, there is a dramatic and overwhelming appearance of SM platforms that offer new and innovative ways to communicate e.g FB, Google plus, Linked in, Youtube, Skype, Mysite, Twitter and Whatsapp, thus creating new opportunities to progress and attract customers via facilitated communication, as well as, empowered guest engagement.

Though numerous benefits to the hospitality industry have been attributed to the use of various SM platforms, service providers have encountered quite a number of challenges, the main ones being, difficulty in how to engage SM marketing and how to validate its business profitability or lack thereof. Therefore, some of the most challenging aspects, include

considerations as to how one can be able to measure results, how to determine business value of social media, how one realizes the importance of SM to any organization, how one makes use of SM for a business in order for it to be acceptable to the intended clientele, and the community at large, whilst enhancing the brand, and last but not least, how one can be able to measure the value of accomplished efforts. (Sterne, 2010).

It is a common perception that, SM's return on investment in the hospitality industry, cannot be measured or quantified, because of the perishable and intangible character of the hospitality product. In addition to this, the return on investment cannot always be considered to be a concrete aspect; for example, business reputation or associations of brand with specific characteristics are not features that can be measured, though are still considered to be highly important to the stakeholder, and can be easily achieved, with the help of SM marketing.

Financial aspects, as well, cannot be foreseen, though, in the end, the relationship between SM marketing and financial profit is both apparent and significant: Socially engaged companies tend to be, and are in fact more financially successful. (Sterne, 2010).

1.3 Research Question

This study seeks to answer the following questions;

- 1) What influence does SM have on organization profitability
- 2) What influence does SM have on revenue levels in the Hospitality Industry?
- 3) What influence does SM have on customer flow?
- 4) What influence does SM have on customer satisfaction in the Hospitality Industry?

1.4 Objectives

1.4.1 Main Objective

To determine the influence of SM tools on organization profitability, customer flow, customer satisfaction and revenue levels in the Hospitality Industry.

1.4.2 Specific Objectives

- 1) To determine the influence of social media tools on organization profitability in the Hospitality Industry.
- 2) To determine the influence of social media tools on increase in the number of customer's in the Hospitality Industry.
- 3) To determine the influence of social media tools on customer satisfaction in the Hospitality Industry.
- 4) To determine the influence of social media tools on revenue levels in the Hospitality Industry.

1.5 Scope of Study

The aim of this study is to identify the influence of SM tools on organizational growth, in the hospitality industry, with reference to La Qaffe Hotel, located in Embu town.

1.6 Limitation of Study

The potential influence of social media on the hospitality industry has attracted a lot of interest in academia, with the majority of studies centering on customer views, rather than that of service providers, therefore acting as a hindrance in the measurement of SM's influence on various company goals; chiefly being, financial gain. However, in this

particular study, majority of the information obtained, will heavily rely on the service provider's perspective rather than that of the client, therefore, possibly posing a challenge, in regards to establishing whether there is a direct correlation or not, between customer satisfaction and SM marketing, which is one of the main objectives of this study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

SM is becoming more and more crucial to the hospitality business, due to the intangibility and experiential nature of hospitality products, as well as the lowered technological barrier for average travelers to contribute information online. What makes SM super interesting and advantageous, is the fact that, unlike other mass media channels that tend to be one-way communication models, SM represents a two-way mode of communication between consumers.

As the digital version of word of mouth, SM represents materialization, storage, and retrieval of word of mouth content online. However, the large scale, anonymous, ephemeral nature of internet, induces new ways of capturing, analyzing, interpreting and managing SM content.

Some traditional theories, such as social exchange theory, social penetration theory and social network theory, could be valid paradigms for studying and explaining how people form networks, express their opinions and pass information to each other. This chapter will focus on the review of relevant theories, construction of an integrated meta framework, and more importantly, SM's implication on hospitality and tourism marketing research as well as, the principles of marketing in hospitality and tourism business.

2.2 Theoretical Literature

This section reviews major theoretical frameworks applicable to the study and therefore understanding of various SM tools. These theories are broadly classified into three; macro theories, that deal with structure and dynamics of social actors and SM content through global or abstract views, micro theories; that deals with the studying of dynamics of contribution of information online and communication of individual social actors, and finally pseudo-theories, which include recent conceptual frameworks in marketing and SM, proposed mostly by non-academics. A key thing to note is that,

though pseudo theories, may intuitively make sense, they have yet to be tested empirically and rigorously by scientific methods.

2.2.1 Macro theories

a) Social Network Analysis

This theory views the community of individuals as connected actors, and uses mathematical models to study, its structure, development and evolution.(Wasserman and Faust 1994). It treats individual actors in a community as nodes. Nodes, are the individual actors within the networks, and the ties, are relationships between various actors. Several ties can exist between nodes, they include: friendship, kinship, shared interests or beliefs. Social network, in its most simple form, is therefore a map of all relevant ties between nodes under study. This network can also be used to determine things such as, social capital of the various individual actors involved. The concepts are then displayed in a social network diagram, whereby, nodes act as points whereas, ties are lines. This social network theory, has its origin embedded in mathematical graph theory, with a long history of use in investigation of human social organization. (Scot, 2000). The main advantages of this approach, is its potential to address population level and cross-population level problems by building up complex social structures from individual level interactions. It mainly studies individual users, and the relationships that exist between them. (Shaffie et al., 2011). Weak ties basically refer to casual relationships, whereas, strong ties hint towards close relationships, between nodes.

Stuzman, 2006 asserts that the power of SNT, actually stems from its obvious difference from traditional sociological studies, that basically assume, that it's an individual actor's attributes that matter. SNT provides an alternative view, whereby, attributes of individual actors are less important, than their ties and relationships with other actors within the said network. Kraus et al., 2007, appears to agree with this, by stating that SNT approach, has proven to be useful in explaining many real world

phenomena, though, it leaves less room for individual agency (which is the ability of individuals to influence their success, since much of it, solely rests within the networks' structure.

b)Mc-Luhan's media theory

Mc-Luhan, a Canadian philosopher and educator, is the author of the famous quote, "the media is the message."(Mc-Luhan 1995). He argues that media rather than its actual content will transform people and the society, being that media's effect on society is much greater than media content. Mc-Luhan further divides media into cool and hot, whereby, cool media requires viewers to exert much effort in understanding content eg television, whereas hot media refers to media that enhance one's senses, thus not necessitating viewers to exert much effort. (Mc-Luhan 1995).

c) Marketing theory

This theory is grounded in commercial marketing, by demonstrating the relationship that exists between social marketing and business profitability. Social media marketing is a highly dynamic field, with new emphases and perspectives emerging with each passing day, especially with regards to the role social media marketers can play in contributing to structural change (Fox and Kotler, 2000).

Social marketing can be defined as marketing through causes and social issues and is a key part of social enterprise. Its main goal is not to raise sale figures but rather to raise awareness on various challenges being faced by a community and how best to solve these challenges. Social marketing is based on on partnerships between NGOs/ government agencies and corporate bodies. Many social marketing theories exist, with some being based on exchange principals(maintaining that company exchanges value between its partners and consumers and benefits from social marketing) on the other hand, other theories approach social marketing as a philanthropic endeavor, where benefits may or may no directly be seen. Another key variation in these theories is as to whether they should be more localized or widespread, raising questions as to what standards should apply and how such projects should be funded.

2.2.2 Micro theories

a) Word of mouth/ Psychological Ownership theory and Perceived control

Asatryan and Oh(2008), applied psychological ownership theory in explaining why former guests are motivated to offer feedbacks. Some customers develop feelings of connection with firms they are particularly fond of, thus providing positive feedback to other prospective customers at the same time forwarding negative feedback to management, in other words, positive criticism , to help them note areas of possible improvement.

(Mattla 2001). Where such loyalties don't exist, the motive to write either positive or negative reviews, may be, an innate desire to control or influence the business indirectly by communicating with its future potential customers. According to Pierce, Kostova and Dirks(2003), the desire by a consumer to control through such communications may result in feelings of efficacy, intrinsic pleasure and extrinsic satisfaction in providing advice to others.

b) Social Exchange theory

This theory originated from sociology studies, exploring the exchange between individuals or small groups. (Emerson, 1976). It mainly uses cost-benefit frameworks and comparison of alternatives to explain how human beings communicate with each other, how bonds are formed and lastly, how communities are formed through communication exchanges. (Homans 1958).

c) Social Penetration theory

This theory is quite similar to the social exchange theory, in that, it explains how human exchange forms relationships, (Altman and Taylor 1973). However, it tends to focus and put more emphasis on the individual and dyadic levels while the former mainly explains behaviour at aggregated and organizational levels. This theory states that, human beings form close relationships through self-disclosure. With reference to the peeling onion analogy; one must disclose him/herself through a continuous process, exposing one's inner self and identity. In the social world online, social networks may be designed in a way that separates these different layers of information, whereby certain information may be disclosed to the public, while private and semi private information remains confidential. A recent lawsuit against FB highlights the importance of following the layered rules of social penetration in order (Gaudin, 2010).

2.2.3 Pseudo-theories

Carlene Li and Jeremiah Owyang from Altimeter Group are the major contributors to social graphics framework (J Owyang, 2010). They argue that in addition to studying demographic, geographic and psychographic profiles of customers, businesses need to develop social strategies (socialgraphics). Key questions that need to be answered include; what are my customers' social behaviour online? What social information or people do my customers rely on? What is my customer's social influence? This will

enable marketers and managers separate their customers into layers of engagement: curating, producing, commenting, sharing to watching, as well as provide tools and platforms to facilitate their social interaction.

Another line of framework, social feedback loop, links consumer purchase funnel with SM, Dave Evans 2008. He argues that traditional purchase funnel comprises of three stages namely; awareness, consideration and purchases, during which a marketer can influence a consumer's decision making. This concept assumes consumers are living in a vacuum; they purchase, use the product, form an opinion about it and talk about it in a later stage. The social feedback cycle is driven by word of mouth, which is in turn driven by actual use, trial or sampling experience. Harnessing this feedback loop is of great importance to various companies.

In summary, these two frameworks bring out several key marketing strategies, which if employed, may bring about numerous benefits. They include; marketers switching focus from effects of mass media on pre-purchase decision making to post purchase word of mouth, emphasizing the need to study the different levels of engagement of one's customers, in order to adopt different strategies for encouraging the spread of SM and influence the direction of consumer conversation. However, these theories, don't specify the exact methods that should be employed in segmenting engagement groups and ways to adopt in order to differentiate stages of pre-purchase decision making and post consumption And the ways to influence them.

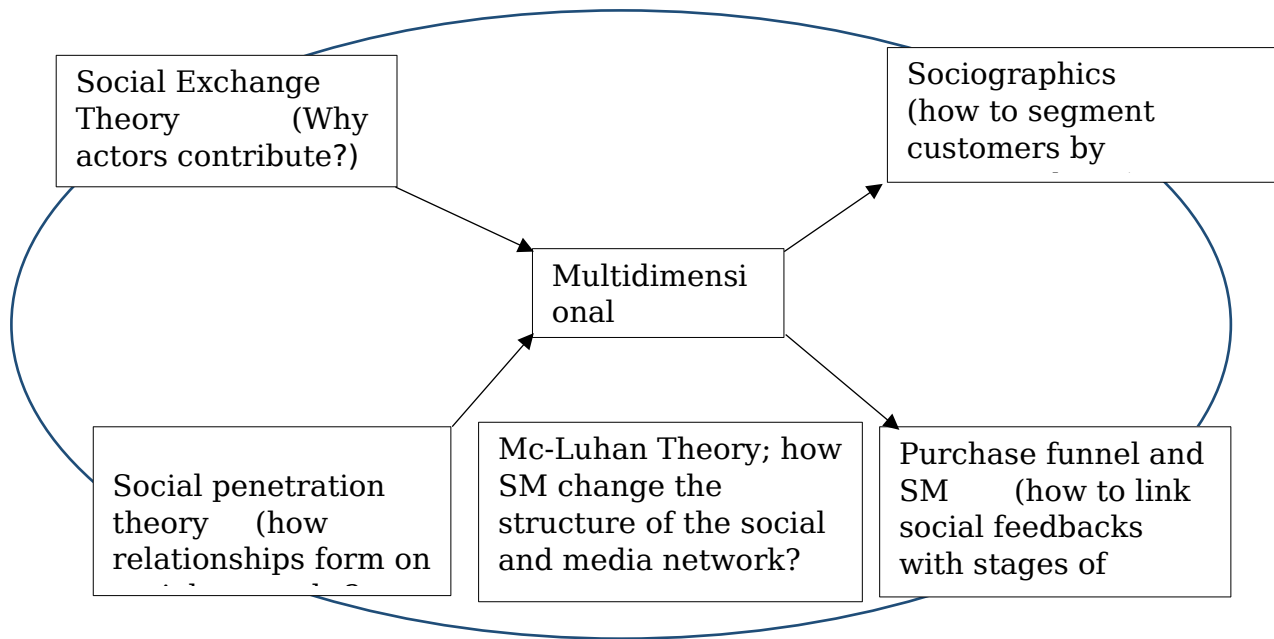
2.2.4 An Integrated Meta-Framework

The afore mentioned theories look at social media and social actors through individual, global, or marketing and business perspectives. An integrated framework needs to be reductionist, quantifiable, and applicable to business and marketing settings. Social network analysis, especially the multi-dimensional social network analysis, with rigorous methodology and measurements, seems to be an overall framework for studying the

interaction between information artifacts, human actors, and the interaction and evolution of the two. Thus, multidimensional network is at the center of the framework.

On one hand, the macro and micro theories, such as McLuhan's media theory, social exchange and social penetration theory, could inform the analysis and modeling of social network analysis. On the other hand, social network analysis can actually quantify socio-graphics and link SM content with purchase funnels through quantitative analysis. In conclusion, Social network analysis should be employed to explore various aspects of those behavioural theories online.

The connections between theoretical models and applicable questions



2.3 Empirical Literature

According to Tassave 2010, on the role of SM marketing in the hospitality industry, he demonstrates how hotels can save money, build and grow networks , in addition to enhancing relationships between customers.

A study conducted by seniors at the Cornell School of Hotel administration, it was found that, guests who frequent certain hotels place a higher emphasis on reviews by consumers rather than ratings awarded by established organizations such as Forbes. Nielsen states that about 57% of customers will go online to research on reviews, which will inform their decision on whether to purchase or not, a particular product or service. Hjortur Smarson, a director of Scope, Iceland (company that specializes in branding, social media and internet marketing), wrote in his journal about a recent campaign done by Radisson Blue, whereby, the competition initially started with 1500 participants , but following the input of various SM

platforms e.g. FB, the number of participants more than double within a time period of three days. The Hyatt hotels launched a corporate twitter account in July 2009, with an aim to provide an extra mile for service. The use of SM tools in this particular group of hotels encourages customers to use the services to voice their opinions acting as a remarkable marketing tool.

2.3.1 Social Media & Social Media Marketer

There are several articles and online sources that have tried to bring out the definition of SM, each having a different perspective on it. A.M. Kaplan, M. Haenlein (2010), offer a more technically savvy definition; SM refers to a group of internet based applications that build on technological and ideological foundations of web 2.0 (refers to principles and practice of facilitating social interaction and information sharing amongst users thereby altering, generating and uploading web based content.) and allows creation and exchange of user generated content. (Liburd, 2012). Mashable.com.(2010) refers to SM as real life. From a marketer's point of view, Levinson and Gibson (2010) define SM as a set of tools free/nearly free that allow marketers and the community to create meaningful conversation and content online eg. as blogs, photo-sharing sites, social networks and audio podcasts. Stern (2010) defines SM as: "That which allows anybody to communicate with everybody. Consumer generated content distributed via online tools that are easy to access. Finally, Solis (2011) has a unique way of defining it: many things to many people; A platform for socialization: a tool that facilitates conversation and connection amongst friends, family and peers.

According to Levinson and Gibson (2010), an SM marketer's characteristics should include the following: First, they should never be caught up in blind enthusiasm of a new product or service prior to testing the tools and analyzing the results they are actually bringing. Second, a marketer should

be, not only interested, but also open to trying new options; combining various elements of strategy and marketing in a creative fashion. Thirdly, marketers should exercise transparency at all times. Last but not least, the marketer should always be prepared to face upcoming challenges.

Given the high range of access customers now have to information, its almost impossible to fool them without getting noticed. Therefore, the marketer is advised to exercise honesty and integrity at all times. Being that its common knowledge, that the customer is the utmost priority, marketing should always be community focused; striving for quality rather than quantity.

According to Levinson and Gibson (2010), the following should be taken into consideration when coming up with SM marketing strategies: Name- should be distinct, catchy and easy to pronounce. Quality- services offered should be of topnotch quality to ensure customer satisfaction. Distribution- its all about location; ability to be active on all online distribution channels. Freedom and variability- involves free giveaways (attractive to myriads of customers). Referral and reward programs- by rewarding customers with various incentives, companies make it evident just how much they value their customers. Finally, Likeability- this is the key to success; effectively done through small but significant gestures like saying thankyou and responding positively to criticism.

2.3.2 Social Media Contribution to Stakeholder Goals

Currently, more than 1.5 billion people globally, have access to internet. Putting this into consideration, operators are therefore advised to embrace the online world to ensure they can deliver their brand via multiple channels (Deloitte, 2010). Following a study done by Global Web Index in 2013, the following findings were obtained: Facebook (FB)-43% usage, Twitter, Google+ and you tube-16-18% usage, with a demonstrated 6% usage observed in the other platforms.

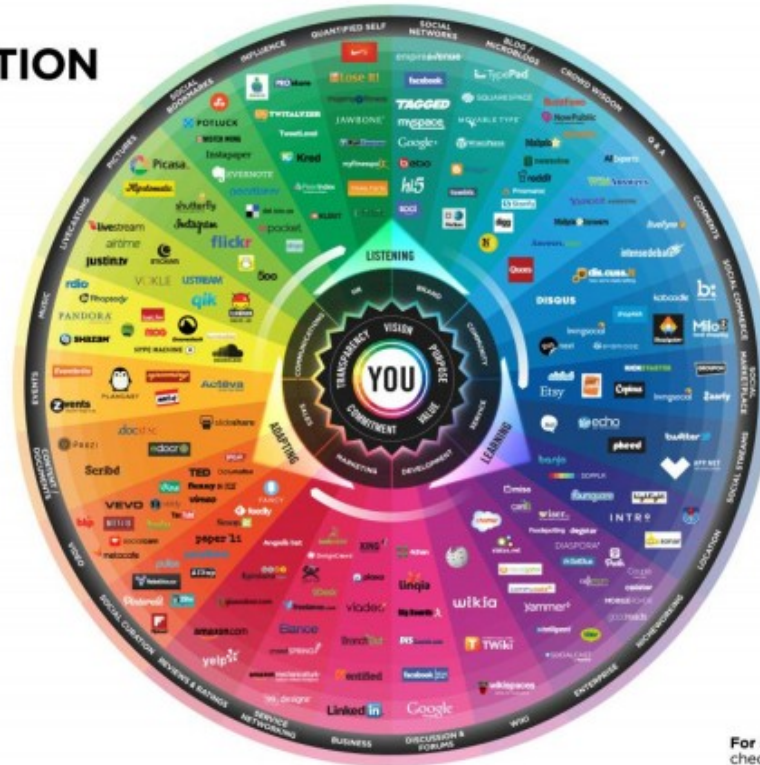
Following a study conducted in by Joshi, Ma, Rand and Rashid (2013), a clear positive correlation between SM and consumer engagement/sales was observed. The study emphasizes on differentiating between various roles of message content, mentioning the differences between new and existent brands. All the above named factors, influence consumer engagement and consequently sales.

2.3.3 Social Media Tools

SM marketing incorporates the use of several tools, however it would be both time consuming and costly to use all of them, therefore determining company goals may enable the organization to determine the tools relevant for use. Brian Solis and Jesse Thomas give a very good illustration on how these tools can be classified; 'Conversation Prism' (Solis, 2015). The first social landscape map was sketched in 2008, and the goal of the map was to observe, analyze, dissect and present the dynamics of conversation; how and where they transpired. The social map below presents an organized view of social networks and communities categorized by usage, internet and capabilities (Solis, 2011).

THE CONVERSATION PRISM

Brought to you by
Brian Solis & JESS3



For more information
check out conversationprism.com

2.4 Measuring Social Media Influences

Countless tools can be used to measure SM influences on the hospitality industry. Most marketers assume that measuring SM Return On Investment (ROI) is either impossible or unnecessary. On the other hand, Levinson and Gibson (2010) believe that success should be measured by the amount of net profit or results generated from marketing.

Calculation of ROI; $ROI = \frac{\text{Gross profit} - \text{Cost}}{\text{Cost}}$ Types of ROI include: risk reduction, efficiency, client retention, reputation, immediate and long term revenue etc.

According to Hawthorne (2014) very few organizations are able to comprehensively gauge the results of their SM content, in addition to this, he also states that most measurements tend to be related to how customers engage SM platforms rather than the revenue they bring; 42% directly tie

SM content success to business gains, whereas 31% make connection to sales and revenue. His conclusion; its essential to measure SM success because it enables you to obtain information about your target audience and their purchasing behaviour.

Some tools suggested by Sterne (2010) include: FB Insights, Google Analytics, Tweetbeep, Feedburner And Post Rank. According to Raphael (2013) Google Analytics offers the best month over month and year over year referral reports; it is the most accurate in page view reporting. Blowers (2012) considers FB Insights to be the most cost effective and perhaps the simplest tool to use by monitoring a graphical interface that provides an overview of engagement measures e.g. total likes and comments/posts. Tools such as Twitter Sentiment, Social Mention, Attensity And Sentiment Metrics have proven to be useful in determining how customers feel about the product or services being offered. However, according to (Sterne 2010) it is quite difficult to recognize customer sentiments when only using software. Finally, tools such as Foresee, Opinionlap, I Perceptions, Google Alert And Twelpforce have proven to be useful in monitoring company ratings, reviews, complaints and recommendations.

Considering all the above mentioned factors, its quite obvious that SM has had a huge impact on the hospitality industry, therefore all companies should reflect on the variety of SM tools at their disposal and the measurement techniques that they can use to help them achieve their goals.

2.4 Conceptual Framework

a) Social networking Sites

SM network sites, are on the rise courtesy of the new generation, and have affected the way of operation of various organizations, with intention of engaging clientele as well as, communication and marketing of the various hospitality products. SN, not only refers to practices and activities, but also

behaviours amongst individual communities, who gather online to share information, knowledge and opinions via conversational media. Conversational media refers to web based applications that make it possible to create and transmit content in the form of words, audios, pictures and videos.(Safko and Brake, 2009). Social networking sites can provide business advantages to both government agencies, as well as private companies. Via social media networks, organizations are able to reach out to mass audiences at very low costs, provide networking avenues with potential customers, as well as, promoting brand awareness in different markets. The main aim is to transform monologues into dialogues, transforming people from content readers to publishers (Cheryl and Heather, 2008). These SM networking sites are quite important in enhancing positive relationships between customers and various stakeholders in the hospitality industry, therefore SM has become an effective form of marketing, which has resulted in the rise of brand awareness, brand loyalty and customer services, with the end result being, an increase in sales. Keh Chu,& Xu., 2006, Brown and Ragsdale, 2002), clearly state that, when organizations invest more in social media marketing, they tend to attract more customers, retain their current guests, as well as, distinguish themselves from their strongest rivals within the hospitality industry. Cornelius., 2008, adds that businesses, that understand the advantage of SM,are well aware of SM's importance in developing new businesses, in the current competitive and online driven market.

Other added benefits of social networking include: knowledge sharing, improved marketing/sales and improved feedback thus service, end result, satisfied customers. From organizations' viewpoint, social network channels, have proven to be useful in enhancing relationships with customers by gathering information from them, analyzing customer feedback, enabling organizations to respond, in a timely manner. Due to the obvious importance of social networking, it is crucial for companies to

manage social networking sites in details, since good social network management creates a lasting impression on customers, prodding them to actively participate. A key thing to note from (Abedniya & Mahmoudi., 2010), is that, only effective social network management can enhance knowledge sharing among employees.

b) Customer acquisition costs

This refers to the costs encountered by a service provider in convincing customers to buy a certain product or service (costs incurred by organizations to convince a prospective customer). This cost is inclusive of production, research, marketing and accessibility costs, thereby forming a very important business metric. CAC, therefore plays a huge role in calculating customer value to the company as well as the resulting return on investment.

Levitt (2006), states that, customers are assets that ought to be acquired before they can be effectively managed for profit. Customer acquisition is therefore of high importance to companies at a number of levels; in business startups, when entering new geographical/ customer market segments, in product launching, when exploiting new applications for already existing products or services, in marketing low involvement products and services, and finally, where repeat purchases are infrequent. In cases whereby, SM markets show a potential for growth, it is of strategic importance, for all players to aim at growing the aggregate market size as opposed to protecting their customer bases via customer retention efforts. Customer acquisition is therefore, a critical parameter for any business, making it a key success metric.

c) Performance of Hospitality Industry

Performance is regarded as an output, aligned to specific objectives, the main one being business profitability. Odhuon et al., 2010, asserts that, financial performance is the only worthwhile performance metric, because

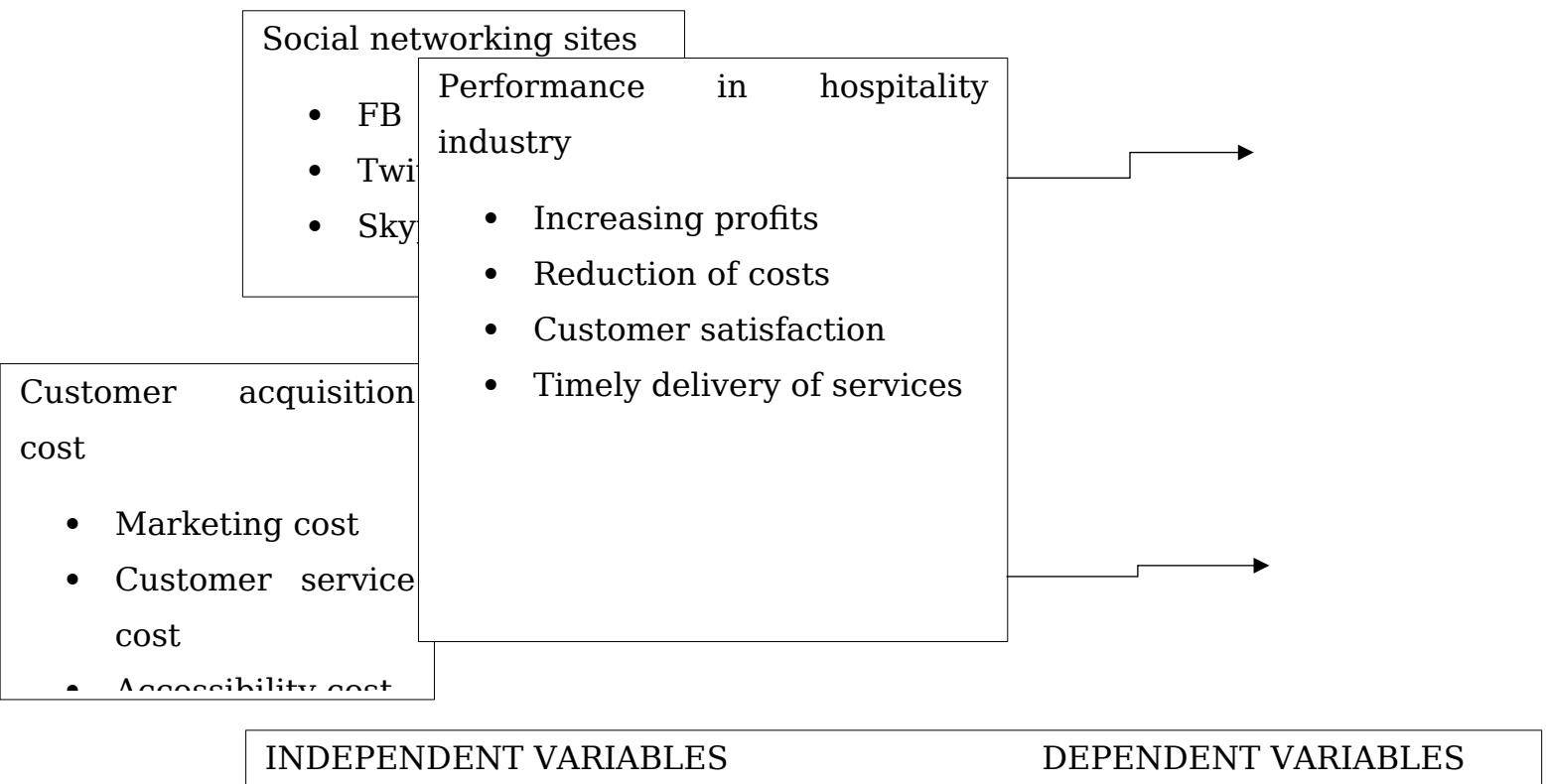
of its obvious value to shareholders, executives and the market. Various hospitality organizations are therefore turning to performance measurement and management, so as to qualify for international organization for standardization standard certifications.

Generally, performance is related to increase in profitability, and customer delivery, which basically implies customer satisfaction. According to Evans and Lindsay (2011), studies show that companies can boost their profit by around 100%, by retainig at least 5% more of their customers than any of their competitors. Therefore companies with longtime customers can outperform competitors with higher customer turnover(Bergin-sen &Jago, 2007).

Traditionally, most companies in the hospitality industry,placed ahigher emphasis on the use of financial measures to detrmine company performance. Lately, however, there's been an emergence in the use of non financial indicators such as customer satisfaction, quality assuarance , productivity and employee development, in determining business competitiveness, as well as ability to sustain profitability.(Kamau and Waudo, 2012). This incorporation of non financial tools is quite crucial in the face of intense competition, shorter product lifecycle and rapid advances in technology, that characterize contemporary business.

Critical success factors include; customer focus, staff, quality service and profitability, which once identified, methods of measuring them can be developed (Melia, 2011). Several independent and chain hotels now opt for a Balanced Score Card approach(which group critical success factors into four major dimensions; customer dimensions such as market share, customer satisfaction measures and loyalty, employee dimension; morale, knowledge, turnover, use of best demonstrated practices, internal process dimension; productivity rates, quality measures,

timelines, and last but not least, financial dimension, which basically implies, revenue, earnings, return on capital and cash flow (Quintano, 2009). A key thing to note; all the four dimensions are of equal importance and are balanced.



3.0 CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter's main focus is methodology, which refers to the techniques, or procedures employed in obtaining data for this particular study, as well as the methods employed in analysis. Additionally, this chapter emphasizes why the specific methods have been chosen, with an aim of ensuring objectivity and validity of all the data obtained, making mention of possible study limitations as well as, ethical considerations.

3.2 Target population

It is also referred to as study or theoretical population, therefore implying, the entire group of individuals or objects, a particular researcher is interested in gathering data from, guided by the study topic and design. In this particular study, the target population comprised of the following individuals; The General manager (GM), sales manager, service and housekeeping supervisors, accounts personnel and customers of La Qaffe Hotel, located in Embu town, as shown in the table below. The researcher subjected the above named individuals to a series of questions, all in line with the outline of this thesis.

Particulars	Frequency	%
General Manager	01	2
Sales Manager	01	2
Accounting Officer	01	2
Service Supervisor	01	2
Housekeeping Supervisor	01	2
Customers	45	90

3.3 Sampling Design and Method

Research design, refers to the overall strategy employed in the integration of the various components that make up a study. It governs the collection, measurement and analysis of all data obtained. For this particular study, an in depth interview guided design was adopted. This is a formal interview process whereby, a qualified interviewer subjects a suitable interviewee to a set of semi-structured questions in a face to face setting. As for the sampling design, it is a mathematical function that gives the probability of a given sample being drawn. For this particular study, both simple random and non random sampling techniques were employed, whereby, customers of la Qaffe hotel were randomly selected, each customer having an equal chance of being selected. For the hotel personnel, purposive sampling was employed, which is a subjective or selective type of sampling, paying key attention to individuals who are most likely to have in depth information regarding the hotel.

3.4 Sample Size

Sample size determination, is basically, the act of choosing a number of replicates, otherwise referred to as observations, to be included in a statistical sample. The sample size, in any given study, is normally guided by five main parameters, namely; nature of population to be studied, aim of the study, research design to be employed, the data analysis technique and the size of the population that is accessible. For this particular study, the sample size comprised of 50 individuals, namely; 5 hotel personnel and 45 customers, as shown in the table above (target population.)

3.5 Data Collection, method and instrument

For any given research instrument to be reliable, it must have the ability of producing reproducible results, that is; if two samples are drawn, the results obtained, must be consistent with each other (Mugenda, 1999). The researcher carried out pilot tests, to ensure reliability of results obtained, prior to engagement in the actual data collection process. The data collection method employed in this study, is in depth interviews, whereby,

the researcher, subjected carefully selected interviewees to a set of semi-structured questions in a face to face setting, in line with the objectives of this particular study.

3.6 Type of Data

The type of data collected in this study is primary in nature. This basically means that, the information obtained, was done on a firsthand basis. The data was therefore collected with the research project in mind, directly from the primary source (hotel personnel and a small sample of La Qaffe Hotel customers).

3.7 Data Analysis and Presentation

The data obtained, from the interviewees, was transferred to an excel spreadsheet, from which a database in Epi info version 7 was created, cleaned to remove errors then imported to R analysis software. Descriptive data analysis was then be carried out, followed by inferential data analysis.

3.8 Ethical Considerations

Permission to carry out this research was sought from the La Qaffe Hotel manager, since it was the site intended for study. Consent was sought from each of the participants, prior to the conducting out of the interviews. They were all informed that their participation is solely on a voluntary basis, and are free to opt out at any time. In addition to this, all information was treated with utmost confidentiality, due to the sensitive nature of the data.

CHAPTER FOUR: RESULTS, FINDINGS AND DATA ANALYSIS

4.0 Introduction

This chapter's objective is to provide a report of the findings of this study, that is, the influence of social media tools on organization growth in the hospitality industry. This data was collected, following an in-depth interview of persons at La Qaffe Hotel, involving 50 participants in total. The findings were represented in form of tables, graphs and pie charts.

4.1 Response rate

The highest response rate was from customers with (80%) return rate followed by managers (75%) and low for employees (45%). Customers were willing to offer suggestions on best ways to improve hotel services.

4.2 Demographic information

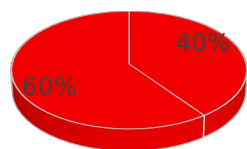
The first section of the interview comprised of an overview of interviewee details such as name, age, gender, level of education and years of experience(for the hotel staff).

4.2.1 Gender of Respondents

The researcher sought out to find gender participation in research findings. Out of the 50 participants, 30 (60%) were females, whereas males were only 20 (40%), as shown in Table 4.1

Table 4.1 Gender of Respondents

Gender	Frequency	Percentage
Male	20	40
Female	30	60
Total	50	100



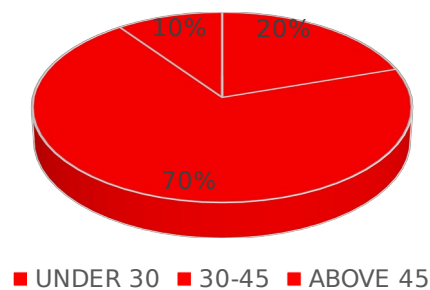
■ MALE ■ FEMALE

4.2.2 Age of Respondents

The researcher wanted to know the age of respondents, in order to find out how much technological exposure is gained. Of the 50 participants, 10 were under the age of 30, 35 (aged between 30 and 45), with only 5 participants above the age of 45 (table 4.2)

Table 4.2: Age of Respondents

Age of Respondents	Frequency	Percentage
Under 30	10	20
30 to 45	35	70
Above 45	5	10
Total	50	100



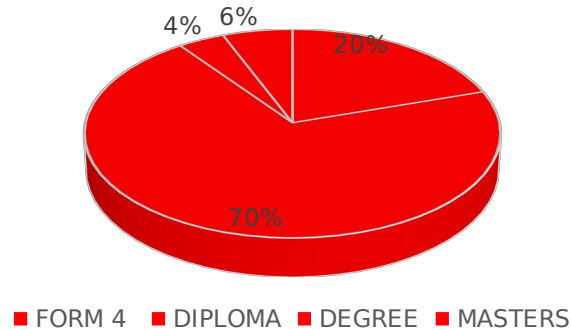
4.2.3 Respondent's Level of Education

Respondent's level of education was analyzed in order to relate how it influences SM advertising. Majority of the participants are diploma graduates, a few form four leavers with only 5 of the participants having attained a Bachelor's or Masters Degree (Table 4.3)

Table 4.3: Respondent's Level of Education

Level of Education	Frequency	Percentage
Form Four Leavers	10	20

Diploma	35	70
Bachelors Degree	2	4
Masters Degree	3	6
Total	50	100

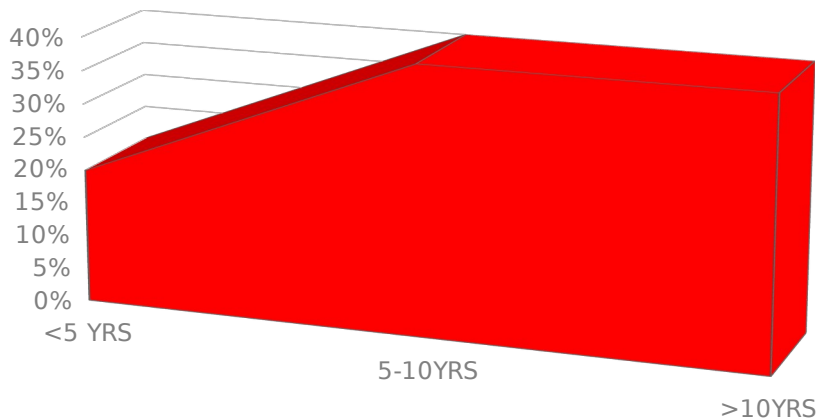


4.2.4 Number of Years in Business Profession

It was critical for the researcher to know the years of experience held by the staff at La Qaffe Hotel. Majority of the staff had an experience ranging between 2 and 10years, whereas 2 of the participants admitted to having an experience of more than 20 years.

Table 4.4: Number of Years in Business Profession

Years of Experience	Frequency	Percentage
Below 5years	1	20
5 to 10 years	2	40
Above 10 years	2	40
Total	5	100



4.3 SM and its influence

The last section of the interview comprised of a number of questions aimed at determining the role and influence of SM on the hospitality industry. The questions were posed to both the staff and clientele of La Qaffe Hotel.

4.3.1 Questions posed to La Qaffe Customers

Table 4.5: SM and its Influence in the Hospitality industry

	Frequency	Percentage
On any SM site		
Yes	45	90
Which SM Sites		
FB	40	80
Twitter	5	10
Instagram	10	20
To what extent do you use it	30	60
Very Much	10	20
Average	5	10
Very Little		
Main reason for engaging in SM sites		
Fun	40	80
Business	4	8
Education or research	1	2
Are you a regular customer of la Qaffe hotel	30	67
Yes		

Do you offer any
reviews on la Qaffe's
FB or instagram page 15

50

4.3.2 : Questions posed to La Qaffe Staff

From the questions posed to the staff at la Qaffe hotel, the following responses were obtained. La Qaffe hotel has both a Facebook and instagram account. The hotel spends roughly 5% of their budget on online marketing. This low spending is mainly attributed to high costs encountered in online advertising as well as the fact that it is quite time consuming, though all the staff strongly agree that online marketing is mandatory for any company with a desire to compete globally. The staff seem to believe that SM is one of the easiest ways to not only acquire new customers , but to retain their old clientele by monitoring and taking into consideration customer reviews on their various SM sites.

5.0 CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter helps us to find out the summary of our findings conclusions and gives us recommendations about our study; it also helps us to indentify the limitations' in our study and also areas of further research.

5.2 Summary of Findings

The main aim of this study was to determine the role of SM on profitability, customer number and satisfaction as well as its influence on La Qaffe Hotel's revenue levels. This study reveals that SM is an important advertising avenue for hotels since majority of Embu residents are on SM , especially FB, though due to the perception that SM or online marketing is expensive, (Kortez; 1997) La Qaffe, has not fully tapped into this marketing strategy, evidenced by the minimal funding meted to online marketing. However, employees in senior management positions all seem to agree, that there's been a rise in the number of new customers (both residents and none residents) ever since the launch of this advertising platform (hotel website, FB page and Instagram), a couple of years ago. They therefore seem to attribute their recent success (overall higher monthly profits, which translates to better revenue levels), to SM and are therefore quite keen on fully embracing, and exploiting SM for the invaluable advertising tool it has proven to be, over the years. In addition, courtesy of the numerous online reviews posts on both the hotel's FB and instagram pages, whereby customers get an opportunity to air their grievances or offer complements with regards to dishes offered and service provided, SM appears to provide a platform, where the organization is able to obtain feedback from its customers, thereby enabling them to get an idea on the areas that they need to improve on, to not only attract new customers but also to retain those they already have, further giving credence to SM's importance in ascertaining customer satisfaction.

5.3 Conclusion

Based on the empirical data and literature review, a number of conclusions can be drawn. The SM phenomenon represents an ongoing trend where hospitality has a lot to gain. All establishments in the hospitality industry need to ensure that SM is an integral part of their overall marketing plan, and should their budgets or resources get limited, the SM domain needs to be monitored in an effective manner. Hoteliers who wish to stay ahead of the curve, need to invest in popular communication channels, such as FB and instagam whose use is currently on the rise. In addition to this however, caution should be taken into consideration, whereby, regular and effective supervision is necessary, as something as small and insignificant as a negative comment or remark, may cause significant and irreversible damage to a brand.

5.4 Recommendations

Based on the findings and conclusions drawn from this study, the following recommendations may prove useful. Organizations in the hospitality industry need to recognize the importance of SM in brand advertising and building of long lasting relationships with customers, therefore ascertaining customer loyalty, and increase in profits and hotel revenues as a whole. Therefore, adequate funding should be meted out to online marketing, to enable them to fully tap into the innumerable benefits associated with SM as earlier mentioned.

5.5 Limitations of Study

One of the main limitations in this study, is the inadequacy of tools that can fully quantify or measure the direct influence of SM on stakeholder goals, such as actual costs, sales and revenue, since online marketing is relatively new on the Kenyan scene, not to mention, semi urban settlements.

5.6 Areas for Further Research

This study recommends an in-depth study of tools that can be utilized in ascertaining the direct influence of SM on various stakeholder goals, as this will go in a long way in making organizations more open to the idea of fully tapping into SM as an advertising avenue, thereby enabling to fully enjoy of its benefits.

REFERENCES

- Altman, I and Taylor, 1973, Social penetration; *The Development of interpersonal relationships*; Holt, Rinehart and Winstock New York.
- Emerson, RM. 1976, " Social exchange theory." *Annual review of Sociology*; 335-362
- Gaudin, Sharon, 2010. " Facebook slapped with class action privacy lawsuit. Pp
- Harris, L, Rae, A (2009). Social Networks: the future of marketing small businesses. *Journal of business strategy*, 30(5), 24-31
- Hawthorne, T, (2014) media zone; Are you really measuring your social Response magazine media performance? Responsemagazine. Com. Available at [http:// www.Response magazine. Com/direct response, marketing/ media zone are you raellymeasuring yout social media 6778](http://www.Response magazine. Com/direct response, marketing/ media zone are you raellymeasuring yout social media 6778)(Accessed 24 May. 2014).
- Homans, GC. 1958. "Social behaviour as exchange, *American journal of sociology* 63; 597-606.
- J Ojwang, J. 2010. " Socaialgraphics help you to understand your customers; Slides and Webinar Recording., Pp.
- Kaplan A, and Haenlin, M. (2010). Users of the world, unite. The challenges and opportunities and Social Media
- Lee, F, S, Vogel, D ., Limayen, M. (2003). Virtual community informatics; A review and research agenda. *The journal of information technology theory and application*. 5(1), 47-61
- Levinson, J, and Gibson, S, (2010). Guerilla social media marketing.^{1st} ed(Irvine, Calif). Entrepreneur press.
- Liburd, J. (2012). Tourism research 2.0. *Annals of tourism research*, 39(2),pp.883-907.

Madupu, V. 2006. *Online brand community participation; antecedents and consequences* . Doctoral dissertation. Available from proquest dissertations and theses database, UMI No.3230964

Mc Luhan, M. 1995. *Undersatanding media; The extensions of man*, Cambrige mass.

Mattla, AS, 2001. "Emotional bonding and restaurant loyalty." *the cornell hotel and restaurant administation quarterly* 42; 73-79

Nelsonwire, (2010). Led by facebook, twitter, global time spent on social media sites up 82% year over year. Retrueved from [http:// blog nielsen.com/nielsenwire/global/led by facebook-twitter,global time spent on social media upto 82 year over year](http://blog.nielsen.com/nielsenwire/global/led-by-facebook-twitter-global-time-spent-on-social-media-upto-82-year-over-year).

Paris, C.M. ee, W. and Seery, P (2010). The role of social media in promoting special events; acceptance of facebook events. *Information and communication*.

Pierce, JL, T. Kostova and KT Dirks, 2003. The state of psychological ownership; integrating and extending a century of research. " *Review of general psychology* 7;84-107

Quintano, A. (2009). Performance evaluation in the hospitality industry; *the balanced scorecard and beyond.in international conference on applied business research*.

Solis, B. (2011). *Engage!* 2nd ed. New Jersey; John Wiley and sons inc.

Sterne, J. (2010). *Social media metrics*. 1st ed. New Jersey, John Wiley and sons, inc.

Waaserman, S, and K Faust. *Social Network analysis*, Cambridge University Press.

APPENDICES
APPENDIX I: LETTER OF TRANSMITTAL

KIURA CHRISTINE NJERI
P.O BOX 27-10100
KERUGOYA

HOTEL MANAGER,
LA QAFFE HOTEL,
P.O. BOX 254-60100
EMBU.

Dear Sir/ Madam,

RE: REQUEST TO CONDUCT A RESEACH AT LA QAFFE HOTEL

I am a student pursuing a diploma in Food and Beverage, Production, Service and Sales at Jeremiah Nyaga Technical Training Institute. As part of this course, I am expected to submit a research project entitled *“Influence of Social Media tools on organizational growth in the hospitality industry”*.

I hereby wish to make a formal request to the management of La Qaffe Hotel to grant me ermission to conduct my research in your facility. Your assistance will be highly appreciated.

Yours faithfully,

Kiura Christine Njeri.

APPENDIX II: QUESTIONNAIRE

Topic: investigation on the influence of SM tools on organizational growth in the hospitality industry.

Section A: Demographic information

Gender: Male { } Female { }

Age: Under 30{ } 30 to 45{ } Above 45 { }

Level of Education: Primaary{ } Secondary{ } Diploma{ }
Bachelor{ } Masters{ }

Years of business experience: Under 5{ } 5 to 10 years{ }
Above 10 years{ }

Section B: SM and its influence

On any SM site?	YES{ }	NO{ }
Which SM sites	NUMBER	PERCENTAGE
FB	{ }	{ }
Twitter	{ }	{ }
Instagram	{ }	{ }
To what extent do you use it	NUMBER	PERCENTAGE
Very Much	{ }	{ }
Average	{ }	{ }
Very Little	{ }	{ }
Main reason for engaging in SM sites	NUMBER	PERCENTAGE
Fun	{ }	{ }
Business	{ }	{ }
Education or research	{ }	{ }

Are you a regular customer of la Qaffe hotel	Yes { }	No { }
Do you offer any reviews on La Qaffe FB/IG page?	Yes { }	No{ }
Is your business on any SM site?	Yes{ }	No{ }
Which SM sites? FB Twitter Instagram	Yes{ } Yes{ } Yes{ }	No{ } No{ } No{ }
How much of your budget is spent on online marketing?		
In your opinion,is online marketing the easisest way to gain new customers and retain old ones	Yes{ }	No{ }
In your opinion, does SM provide a platform to converse and therefore get a feel of customer satisfaction based on feedback from customer reviews?	Yes{ }	No{ }
Have you faced any obstacles in the use of SM as a marketing	Yes{ }	No{ }

tool?		
If Yes, kindly explain		
Do you think SM is mandatory for any business with a desire of competing globally?	Yes{ }	No{ }