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Effect of Facebook Use on Star Rated Hotels Performance in North Rift Region

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Abstract

In reaction to technology advancements, many firms have reoriented themselves in order to draw in and keep clients as well as maintain sustainability. Companies who don't use social media to engage with customers lose out on sales, revenues, and shareholder value. Positive customer-business interactions are strengthened by social media. The study sought to investigate effect of facebook use on star rated hotels performance in North Rift Region. The study used a descriptive survey design. The target population was 142 hotel employees. The sample size was 110 respondents. Sampling techniques were stratified random sampling and census techniques. This study used questionnaires to collect data. Data were then analysed by use to SPSS version 25. Descriptive and inferential statistics were analysed and presented in frequencies, percentages, means and standard deviation. Frequency tables were used to present the research results. The study findings revealed that Facebook use positively and significantly effects star-rated hotel performance ($\beta=0.317$, $p=0.002$). The study concluded that Facebook pages helps management reach wide range of customers. The study recommends that; the social media marketers of the selected star-rated hotels should ensure that their pages are impressive and attractive to the customers.

Keywords: Facebook, Performance, Star Rated Hotels, North Rift Region

Introduction

The social media is evolving at a remarkable rate as promising digital technologies and media proliferation give rise to unprecedented ways of engaging with consumers (Dwivedi et al., 2021). This has triggered a transformation in consumer purchasing behaviour where online purchasing and a surge in mobile transactions have come to the fore. Hoteliers must take advantage of such changes in order to remain relevant in a highly competitive industry (Jacobson et al., 2020).

Social media platforms use has become a lucrative digital marketing strategy for growing hotel performance, customer loyalty and driving direct bookings (Yetimoğlu & Uğurlu, 2020). This is because social media is diffused significantly faster than its traditional methods of advertising and has the potential to reach a much larger audience. More importantly, though, social media platforms use has seen an exponential rise in authority, credibility and trust among today's consumers (Ristova & Angelkova, 2019).

Social media platforms us has significant potential in the hotel industry. This may be especially true in regard to international markets where traditional media may be impeded by geographic or cultural barriers (Chatzigeorgiou, 2017). The most effective way to solve this cross-cultural gap has been direct response marketing employed through the use of social media and online platforms (Gavino et al., 2019). Instead of sending every client one blanket message, social media allows two-way communications with the potential consumer on a more personal level, or engages a group of consumers interested in a specific topic.

Cheung, Pires and Rosenberger (2020) have noted that hotels have implemented extensive marketing efforts through Facebook and other forms of social media to promote their services, and products offering discounts and specials to generate potential consumers. Other popular activities included responding to clients' reviews, handling complaints, and holding contests. Beside Facebook (38.8%), Flickr (26.9%), and Trip Advisor (23.9%) are among the social media sites used in the hotel industry.

Statistics indicates that North Rift Region hotels of Kenya receives an insignificant 2% of visitors (GOK, 2019), posing poor performance in hotel services. Despite the fact that the region is endowed with rich cultural attractions, wonderful landforms, high altitude climate suitable for sports, forests and wildlife, star rated hotels, visitation to the region has not improved significantly. There is a research gap on the relationship between Facebook use and hotel performance. Therefore, this study sought to fill the gap by establishing the effect of Facebook use on star rated hotels performance in North Rift region.

Theoretical Review

The study was guided by Resource-Based View theory developed by Wernerfelt in 1984. The resource-based view (RBV) is a managerial framework used to determine the strategic resources a firm can exploit to achieve sustainable competitive advantage. According Mishra and Yadav (2021) gaining a competitive advantage for the organization depends on the implementation of the organization's productive resources. Based on the RBV theory, organizational resources and capabilities that are "valuable, rare, inimitable and distinctive" are deemed crucial sources for enhancing performance and gaining competitive advantage (Halawani et al., 2019). In the tourism and hospitality industry, Gannon et al (2015) stated that resources are the fundamental drivers of the resource-based view. These various resources consist of physical resources, human resources and organizational resources.

Physical resources include "building exteriors and interiors, geographic location, facilities, and finances", human resources are composed of "staff and managerial skills", and organizational resources include "culture, business processes and strategies, information technology, and knowledge (Gannon et al., 2015). According to Fraj et al (2015), these several kinds of resources add to value creation strategies for tourism and hospitality organizations. On the other hand, Trainor, Andzulis, Rapp and Agnihotri (2014) defined capabilities as the ability of an organization to take benefit of its available resources and assets. Therefore, social media provides the chance to increase benefits from an organization's IT resources and networking abilities (Trainor et al., 2014).

Regarding the hotel sector, knowledge obtained by hotels' networking activities can encourage organizational performance (Tajvidi & Karami, 2017). Online social media sites are playing a significant part in enabling the sharing of information between organizations and consumers (Sigala et al., 2012). Tajvidi et al (2017) stated that information shared through social media is very influential in promoting the customers decision-making behaviour in hospitality organizations.

Literature Review

Importance of social media platform and its effect on customers' decision process in the hotel selection. Consumers have been exposed to digital information through Facebook; this information has effect consumers' decision (Abuhashesh et al., 2019). Facebook has the greatest effect on customers' decision process. In addition, the finding revealed that the way customers search and book hotel have changed. Future social media marketing research and practice. Active members are likely to be satisfied with community participation and developed positive behaviours that benefit hotel. Facebook pages, specifically willingness to promote the community to others and modify purchasing and information-searching behaviours. Marketers are advised to identify members' needs, create special offerings that accommodate those needs, and effectively communicate and share information with members in order to increase the level of satisfaction of members of online communities (Kang, 2018). Nevertheless, the study used convenient sampling method to collect data from individuals who were or currently are members of hotel Facebook pages while the current study used random sampling to collect data from the entire sample.

According to Sajilan et al (2019), Facebook has been acknowledged to play a vital role in firms achieving superior performance. Malaysia is a multicultural country in which the Malaysian Chinese are considered to be the most successful entrepreneurs. There is, however, a lack of research regarding the effect of Facebook usage on firm performance among Malaysian Chinese retailers (Tehseen et al., 2021). Compatibility, cost effectiveness, and interactivity have an effect on Facebook usage, which in turn has a statistically significant positive effect on the retailers' perceived financial performance, perceived non-financial performance, perceived business growth, and perceived performance relative to competitors. Moreover, market turbulence was only found to be a moderator that improves the impact of Facebook usage on perceived financial performance, perceived business growth, and perceived performance relative to competitors, but not perceived non-financial performance (Sajilan et al., 2019). However, the study was done in Malaysia while the current study will be done in Kenya.

According to Wang and Kubickova (2017), the number of daily-engaged users positively affects the number of daily people talking about the page (eWOM). Moreover, the number of engaged users differs significantly by the external factors (time-of-day, day-of-week, age, gender and distance). Hotel Facebook developers should post the most important promotions on Monday afternoon, targeting females aged between 25 and 34 years living within 50 miles of the hotel. Posting on hotel Facebook a few hours before "traffic" to avoid competition and gain visibility is important. Marketers should focus on giving feedback during peak times (Wang & Kubickova, 2017). Efficiency of the greeting FBMCs is better than that of the event and promotion FBMCs. The projection of input value analysis showed that an average of 50 words, one picture and six colours is the benchmark of FBMCs. Developing shorter text lengths, concise photos and colours of greeting messages on FB could be efficient for FBMCs (Lo and Fang, 2018).

Facebook marketing for hotels has grown to new heights in recent years as social media sites continue to showcase the ability to reach a massive, worldwide audience (Pinto & Yagnik, 2017). Through content management, demographic targeting, and customizable ad campaigns, hotels that utilize Facebook successfully are able to accomplish numerous goals at once. Through content management, demographic targeting, and customizable ad campaigns, hotels that utilize Facebook successfully are able to accomplish numerous goals at once (Kaur & Kumar, 2020).

Methodology

The chapter describes the methodology adopted in the study. The study was carried out North Rift Region, Kenya. A descriptive survey design was utilized in this study. The target population comprised of 12 marketing managers and 130 supervisors in star rated hotels in North Rift Region. This study used questionnaires for hotel employees to collect data. Data were then analysed through the use of descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS) version 25. Descriptive statistics included mean, mode, percentage, and standard deviation. Inferential statistics used was linear regression model.

Results

Descriptive Statistics for Facebook Use

The study findings in Table 1 showed that showed that 82(86.8%) of the respondents agreed and 11(11.3%) disagreed that engagement rate between the hotel and customers using facebook is high. Further the study findings showed in terms of means and standard deviation that the respondents agreed that engagement rate between the hotel and customers using facebook is high (Mean =4.18, Standard Deviation=1.09). According to Social Media Industry Benchmark Report (2022), the median engagement rate for Facebook is 0.064%. Out of the top 25% of brands across all industries the brands performing best on social media the median engagement rate is 0.174%. Another factor that goes into engagement rate on Facebook is the posting frequency. When it comes to how often to post on Facebook, the median for brands across all industries is 5.87 times per week while brands in the top 25% for engagement post 5.11 times per week. Abuhashesh and Masa'Deh's (2019) research, which found that Facebook is the most influential platform for consumers, is supported by the findings of the present investigation. Furthermore, there has been a shift in how people go about finding and reserving a hotel room. The study and implementation of social media marketing in the future. Those that take part in the community are more likely to be happy with their experience, and they are more likely to establish hotel-friendly habits.

In comparison, 83(87.1%) of respondents agreed, and 10(10.3%) disagreed that using facebook, the hotels have managed to reach wide range of customers. Further the study findings showed in terms of means and standard deviation that the respondents agreed that using facebook, the hotels have managed to reach wide range of customers (Mean =4.04, Standard Deviation=0.94). Findings from this study corroborate those from the work of Khalayleh and Al-Hawary (2022), who found that most organizations rather than analysing the behaviour of their Facebook "followers" in relation to the product, these businesses tend to focus on the number of "followers" they have.

Moreover, it was noted that 273(85.9%) of the respondents agreed, and 34(10.7%) disagreed that through facebook use the hotels have manage to impress a lot of customers. In terms of mean and standard deviation the respondents that agreed that through facebook use the hotels have manage to impress a lot of customers (Mean = 4.05, standard Deviation=1.00). Findings corroborate those of Kaur and Kumar (2020) who discovered that purposeful use of Facebook by hotels enables them to simultaneously attain several objectives through content management, demographic targeting, and individualized marketing campaigns.

On the other hand, 81(37.4%) of the respondents agreed, and 11(10.7%) disagreed that the hotel facebook page have received a lot of likes. In terms of mean and standard deviation the respondents that in terms of mean and standard deviation of the respondents were undecided that Through Facebook Use the hotels have manage to impress a lot of customers (Mean = 2.55, standard Deviation=1.55). In line with Nunkoo (2020) findings, this increase in

involvement has the same or greater impact on the campaign's brand awareness-raising efforts. Therefore, a group forms whenever people engage with the brand.

Finally, 77(80.5%) of the respondents agreed, and 17(17.6%) disagreed that the hotel facebook page have got a lot of followers. Further the study findings showed in terms of means and standard deviation the respondents agreed that the hotel facebook page have got a lot of followers (Mean =4.01, Standard Deviation=1.19). The findings accord with those of Kraus et al (2022), who concluded that Facebook effect has delivered benefits and have moved beyond marketing to drive sales for businesses. Businesses have experienced sales gains as one of the effects of Facebook marketing.

The findings concur with (Pinto and Yagnik ,2017) who found out that Facebook marketing for hotels has grown to new heights in recent years as social media sites continue to showcase the ability to reach a massive, worldwide audience. Through content management, demographic targeting, and customizable ad campaigns, hotels that utilize Facebook successfully are able to accomplish numerous goals at once. Through content management, demographic targeting, and customizable ad campaigns, hotels that utilize Facebook successfully are able to accomplish numerous goals at once (Kaur & Kumar, 2020).

Table 1

Descriptive Statistics for Facebook Use

Statements		SD	D	N	A	SA	Mean	Sd
1. Engagement rate between the hotel and customers using facebook is high	F	5	6	2	37	45	4.18	1.09
	%	5.3	6	1.9	39.3	47.5		
2. Using facebook, the hotels have managed to reach wide range of customers	F	3	7	2	54	29	4.04	0.94
	%	2.8	7.5	2.5	56.9	30.2		
3. Through Facebook Use the hotels have manage to impress a lot of customers	F	4	7	3	49	32	4.05	1.00
	%	3.8	6.9	3.5	51.9	34		
4. The hotel facebook page have received a lot of likes	F	37	19	4	21	15	2.55	1.55
	%	39.3	19.5	3.8	22	15.4		
5. The hotel facebook page have got a lot of followers	F	5	12	2	36	41	4.01	1.19
	%	5.3	12.3	1.9	37.4	43.1		

Source: Field Data (2022)

SA-Strongly Agreed, A-Agreed, N-Neutral, and D-Disagreed, SD-Strongly Agreed, F- Frequency, % - Percent.

n=95

Linear Regression Analysis

Linear regression analysis was conducted to establish relation between variables of the study. Findings are summarized in following subsequent sections.

Regression Model Summary

The study findings indicates that Facebook use, was found to be satisfactory variables in affecting star rated hotels performance in North Rift region. This is supported by the coefficient of determination or R square of .735 and this imply that Facebook use, explains 73.5% of the variations in star rated hotels performance in North Rift region.

Table 2

Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.857 ^a	.735	.732	.45981

Source: Field Data (2022)

Regression model Goodness of Fit

The study results in Table 3 indicated that the results computed using the regression model was significant, meaning that the regression model had been computed well and not by chance as supported by a p value of 0.000 which is lesser than the critical p value of 0.05. Further, the results imply that the independent variable is a good predictor of star rated hotels performance in North Rift region. This was supported by an F statistic of 257.458 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 3

Model Fitness Results

	Sum of Squares	df	Mean Square	F	Sig.
Regression	54.433	1	54.433	257.458	.000 ^b
Residual	19.663	93	.211		
Total	74.096	94			

Source: Field Data (2022)

Multiple Regression Coefficients

Regression of coefficients results in Table 4 revealed that Facebook use has a positive and significant effect on star rated hotels performance in North Rift region ($\beta=0.827$, $p=0.000$). A unit increase in Facebook use would increase performance of star rated hotels by 0.827.

The optimal model was;

$$Y = 0.87 + 0.827X_1 \dots \dots \dots \text{Equation 1.}$$

Table 4

Multiple Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.872	.207		4.203	.000
Facebook use	.827	.052	.857	16.045	.000

Source: Field Data (2022)

Conclusion

The study concluded that Facebook pages help management to reach a wide range of customers in the process of impressing a lot of them. Hence, the engagement rate between the hotel and customers using Facebook is high. On the other hand, the engagement rate between the hotel and customers using Facebook is high. Hence, through Facebook, the hotels have managed to reach a wide range of customers. In the process, the majority of the customers have been impressed by the page.

Recommendations

The study recommends that the social media marketers of the selected star-rated hotels should ensure that their pages are impressive and attractive to the customers. Further, the management of the selected star-rated hotels should ensure that their market website and Facebook pages for the hotels are fully established. In addition, they should ensure that they are fully operational.

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