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**ABSTRACT**

*There are various platforms provided by the social media networks such as Face book, LinkedIn, YouTube and Twitter to the marketing of products and services for the hospitality industry. Social network offers media technologies that can facilitate online functionality and monitoring perspectives wherein the data gathered can be used to develop their services for customer satisfaction. The hospitality industry can market themselves in social media and networking. Hospitality industry can use social media to engage customers and clients in dialogue and recognize their needs. Through these networking sites, hospitality industry can interact with consumers before, during, and after the vacation experience. Social media is relatively new and the advantages are abundance such as it is affordable, it is viral and has the potential to spread brand awareness quickly and far and it is said to be able to develop link baits, attention and massive amounts of traffic. However, it may not be appropriate for all hotel chains. The purpose of the study was to establish the effects of social media marketing on organizational performance in the hospitality industry in Kenya specifically Kenyatta International Convention Centre. The study adopted a descriptive survey and the targeted population was 70 employees drawn from different departments. A census survey design was carried out. The data was analyzed with help of SPSS version 22 and Excel. According to study findings; it was notable that there existed a strong positive relationship between the independent variables and dependent variable. This implied that these variables were very significant therefore needed to be considered in any effort to boost performance in hospitality industry in Kenya in the study area. Based on the study findings, the study concluded that performance in hospitality industry in Kenya was affected by social networking sites followed by customer acquisition cost were the major factors of social media that mostly affect performance in hospitality industry in Kenya. The current study should therefore be expanded further in future in order to determine the effect of strategic legal framework on performance of hospitality industry.*

**Key Words:** Social Networking Sites, Customer Acquisition Cost, Performance, Hospitality

## INTRODUCTION

Social Media Marketing (SMM) may be described as the act of using social networks, online communities, blogs or any other Internet form of media for marketing. "It is the umbrella term for the wide variety of tools and applications that give the Web its social capabilities" (Miletsky, 2010). These tools are inclusive of familiar social networks like Facebook, Twitter and LinkedIn and YouTube. The goal of social media marketing is to gain brand awareness and interaction with the customers to talk about a specific business (Csutoras, 2008). Social Media Marketing concepts and techniques basically consist of: Increase brand awareness of services, Increase sales, Educate and inform customers, Improve customer service, Monitor brand reputation. Social marketing provides visibility and awareness for the brand; this is the awareness that is essential to convert potential customers to loyal customers eventually. The secret is to create a thematic content that can lead to an effective marketing campaign. This move will generate brand awareness and the brand will be top of mind with the consumers if they decide to buy the product or services.

According to Boyd and Ellison (2007) Social Media refers to web based service that allows individuals to construct a public or semi public profile within a well structured system such as Facebook groups and pages or privately owned Twitter accounts, to articulate the list of other users with whom they share a connection, to view and visit their list of connections and those made by others within the system. In this regard, profiles and network of friends that the user creates stand at the core of the Social Media (Online Networking Sites). Facebook as an example provides a sophisticated profiling system that allows users to create very detailed information about them and has a good level of privacy by determining what is to be made public.

Social media were not meant to be a way that connects people who do not know one another but actually a social networking for socializing people who happen to have some relationships offline (Boyd and Ellison, 2007).

Social media marketing is a platform that facilitates information sharing and participation from users of the media in order to create and/or distribute the content (Steenkamp & Hyde-Clarke, 2014). These platforms have shifted the emphasis of Internet services from being consumption-based towards becoming more interactive and collaborative, thereby creating new opportunities for interaction between organizations and the public (Henderson & Bowley, 2010). Distinct from old forms of media, social media can include both web-based and mobile technologies (Mou et al., 2013). Organizations should consider using social media because of the changing trends among consumers. Mangold and Faulds (2009) claimed that marketing managers should recognize the power and critical nature of the discussions being carried out by consumers using social media. Due to the advantages of social media in connecting businesses to end-consumers directly, in a timely manner and at a low cost (Kaplan & Haenlein, 2010), by facilitating various areas of marketing, such as promotions, marketing intelligence, sentiment research, public relations, marketing communications, product and customer management (Akar & Topcu, 2011; Tanuri, 2010), social media has become the center of attention in many industries.

Marketing is an important aspect for any company involved in business. As such, it is a competitive world out there, and social media marketing is the 'new kid in town' and it can reach out to the people accessing these social media platform regularly. Communication is essential for any corporation and

business, therefore either they change the way information is conveyed or be prepared to lose some of the audience. It is imperative for marketing managers to continuously find a solution to appeal, keep new and current consumers (Schneider, 2009). Social network is the ideal platform for communication that applies perfectly with marketing in the virtual world. Social networks are groups of individuals who prefer to communicate with one another through a preferred site based on the profile created for themselves (Laudon & Traver, 2007).

According to Kaplan and Michael (2010) social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that creates highly interactive platforms through which individuals and communities share, discuss, and modify user-generated content (information). The history of social media started with SixDegrees.com which was founded in 1997 by a company known as Micro View (later named Six Degrees) in New York City (Boyd, 2007). Sixdegrees.com had socialization features such as profile of friends and messaging. However, due to lack of users with extended online relationships and little appeal to make new friends among users, the site closed around the year 2000 resulting from unsustainable business strategies among founders (Harrison & Thomas, 2009). The closure of SixDegrass.com did not mark the end of Social Media development but paved the way for other networks such as Friendstar.com, Myspace, twitter and Facebook to emerge.

Similar to Facebook, Twitter was created in March 2006 by Jack Dorsey and it was officially launched by July 2006 as a social networking site. Twitter has rapidly gained worldwide popularity with over 500 million registered users as of 2012, generating over 340 million tweets daily and handling over 1.6

billion search queries per day (Twitter Search Team, 2012). In the beginning of social media use, the driving force was the need to establish interactive communication platform between individuals but literature demonstrate that social media use in organizational activities has increased. In development context, most organizations are discovering the power of social media in reaching organizational goals. Social media is becoming useful in organizational networking, in sharing information within the organization and outside the organization to stakeholders and beneficiaries. For instance, United Nations Development Program (UNDP) is among the multilateral organizations that use social media in its communication with stakeholders in much more proactive and interactive ways than it could have been with the use of other communication channels such telephone, postal letters, individual emails, radio and TV. Currently, there are many organizations with social media policies and are active on Facebook, Twitter, Youtube and Skype offering them an opportunity to engage with stakeholders and carry messages to larger audiences (Braskov, 2011).

The use of social media marketing in organizational activities/projects has been increasing. This is evidenced by the presence of a significant number of organizations using Twitter, Facebook, You-tube and other social media networks. However, little is known about the usefulness of social media in organizational performance particularly amongst organization in East Africa or Tanzania in particular. Literature on social media to a large extent focuses on Western countries linking Social Media phenomenon to the works of corporate companies or private sector touching less on organization (Freiert, 2007). While the use of social media has been gaining acceptance among organizations beginning from the year 20008 onwards in East

Africa and Kenya in particular, less is known about social media and organizational performance among organizations in Kenya. It is high time we investigated the use of social media and its contribution in organizational performance among public organizations in Kenya.

In Kenya, hotels that deal with communicating with the consumers have social media as an integral part be it marketing, branding, customer service and other functions that requires one to reach out (Ngugiet al., 2010). About 90% of hotel industry marketers use social media to market their businesses out of which 50% use social media for more than 6 hours per week. Hotels that have just started using social media spend little time compared to ones who have been on it for a while (Nyambu, 2013).

### **Statement of the Problem**

Kenya has been experiencing turbulent times with regard to its performance in hospitality industry in the last two decades. This has resulted in generally low profits across the economy and this picture is fairly well replicated in the Hotel Industry (World Bank Business Report, 2012). Many hotels have been closed and this has led staff being laid off. The importance of social media in enhancing positive relationships between customers and business cannot be gainsaid (Faith, 2014). This is because they offer new and innovative ways to communicate and network via the internet. Presently, there are various platforms provided by the social media networks such as Facebook, Google plus, LinkedIn, YouTube, Skype, mysite, whatsApp and Twitter in the strategic marketing of products and services for the hospitality industry.

As such, social media networking has become an effective form of marketing which has raised the brand awareness, brand loyalty, customer services

and has led to increase in sales. Invest more in social media marketing activities to attract and retain guests and distinguish themselves from their rivals in order to stay in the hospitality industry (Keh, Chu, and Xu, 2006; Brown and Ragsdale, 2002). One strategy that has been lauded for its ability to boost sales is the use of Social media network sites (Maria, 2010). Social media networking can play a significant role in social learning, which can subsequently influence customer choice of hotels (Faith, 2014). To have a lasting impact, strategies need to be compatible with the structures and functions of social networks in the hospitality industry. This study was designed to examine the influence of social marketing on performance in hospitality industry in Kenya.

### **Objectives of the Study**

The purpose of the study was to establish the influence of social media marketing on performance in hospitality industry in Kenya. The specific objectives were:-

- Establish how social networking sites through social media marketing affect performance in hospitality industry in Kenya
- Examine how customer acquisition cost through social media marketing affect performance in hospitality industry in Kenya

## **LITERATURE REVIEW**

### **Theoretical Framework**

#### **Marketing Theory**

The relationship between social marketing theory and profitability of business has been within for a long time now. As the name implies, is grounded in commercial marketing theory and practice. However, given that the application of social marketing is predominantly in non-commercial sectors, social marketing practice draws on a range of related disciplines including sociology,



psychology and other social welfare related activities (Hunt, 1991). As it grows in acceptance, social marketing has continued to evolve. Social media marketing is a highly dynamic field with new emphases and perspectives emerging, particularly in relation to the role that social marketers can play in contributing to structural change (Fox & Kotler, 2000).

Objectives for behavioral cessation campaigns need to be carefully framed. Success, in these campaigns, needs to be the full cessation of the target behaviour by an individual adopter, rather than the complete cessation of the behaviour throughout society. Many campaigns of this style believe that one person behaving in a manner contrary to the campaign means that the campaign, and social marketing, has failed. Social marketing theory is a large and sometimes complex branch of business strategy, due in part to the recent emergence of social marketing compared to other marketing endeavors. Social marketing was only seen as a viable strategy in the 1980s and 1990s, and was only developed in the 2000s (Bloom, 1981). It has several key characteristics that can set it apart from traditional business marketing, but is inherently flexible. Depending on the company, there may not be large differences at all.

Social marketing is marketing through causes and social issues and is a key part of social enterprise. The goal of social marketing is not necessarily to raise sales figures. It is often to promote a specific cause in the community and better society in some way by raising awareness of a problem and offering solutions to that problem, usually at the same time. Social marketing is often based on a partnership between a business and a nonprofit or government agency. Many kinds of social marketing theories exist, making it difficult to describe precisely what theory is the primary one. Some theories of social

marketing are based on the exchange principal, maintaining that the company exchanges value between its partners and consumers and benefits from social marketing in equal amounts (Fine, 1981). Other theories approach social marketing as a philanthropic endeavor where benefits may not be seen and will not be direct benefits even if they do manifest. Theories also vary on if social marketing should be local or widespread, what standards should apply and how such projects should be funded. Because social marketing theory is more like a "set of principles" rather than a formal theory, there are few campaigns that include all social marketing constructs simultaneously (Kaplan & Haenlein, 2010).

According to Sinclair and Vogus (2011), most interventions are "loosely" based on social marketing principles, most often including only one or two aspects of this comprehensive theoretical and technical framework, most notably audience analysis (most often through focus group or survey research), audience segmentation and involvement of community agencies. In general the empirical evidence seems to support the importance of thorough audience analysis and involvement of community agencies for successful design and implementation of health behavior campaigns. This suggests that knowledge of the audience's beliefs, attitudes and behaviors is critical in the design of an effective intervention. Indeed, one of the criticisms of Social Marketing has been that the main emphasis is on the individual rather than the individuals' larger environment. It appears that the endorsement, support and resources of individuals' social and physical environment facilitates or hampers campaign activities. It is not clear how the individuals' beliefs/attitudes/behaviors is affected directly by the person's environment

## Social Network Theory

Social network theory views social relationships in terms of nodes and ties (Shafie et al., 2011). Nodes are the individual actors within the networks, and ties are the relationships between the actors. There can be many kinds of ties between the nodes. In its most simple form, a social network is a map of all of the relevant ties between the nodes being studied. The network can also be used to determine the social capital of individual actors. These concepts are often displayed in a social network diagram, where nodes are the points and ties are the lines. The social network approach has its origin embedded in the mathematical graph theory and has a long and distinguished history in the social sciences and psychology where it has been used to investigate human social organization (Scott, 2000). The main strengths of the approach are the potential to address population-level or cross-population-level problems by building up complex social structures from individual level interactions. SNT studies individual users and the relationship between these users (Shafie et al., 2011). In the theory, weak ties refer to casual relationships whereas strong ties refer to close relationships. The relationships between the nodes in social network sites enable one to understand individuals' choices in their relationships with others. In online social network, there are vaster weaker ties among the nodes.

Stutzman (2006) asserts that the power of social network theory stems from its difference from traditional sociological studies, which assume that it is the attributes of individual actors that matter. Social network theory produces an alternate view, where the attributes of individuals are less important than their relationships and ties with other actors within the network. According to Krause et al. (2007), this approach has turned out to

be useful for explaining many real-world phenomena, but leaves less room for individual agency, the ability for individuals to influence their success; so much of it rests within the structure of their network

## Conceptual Framework

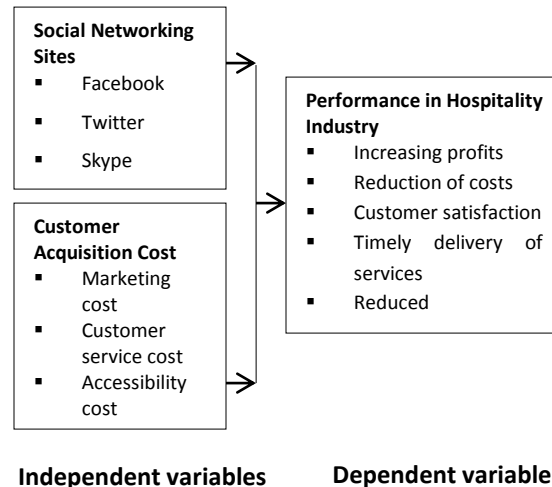


Figure 1: Conceptual Framework

## Social Networking Sites

Social media network sites have come with the current generation and affected the way of operating in various organizations to reach and engage customers, communicate and market their products. Social networking refers to activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media. Conversational media are Web-based applications that make it possible to create and easily transmit content in the form of words, pictures, videos, and audios (Safko & Brake, 2009). These are changes on how people discover, read, connect, and share information. It can offer business advantages for both private companies and government agencies. Organizations can use social media networks to reach out to mass audiences efficiently at very low cost, promote

brand awareness in many different markets and network with potential customers. It transforms monologues into dialogues and transforms people from content readers into content publishers (Cheryl & Heather, 2008).

The importance of social media networking sites for marketing in enhancing positive relationships between customers and business cannot be gainsaid (Faith, 2014). This is because they offer new and innovative ways to communicate and network via the internet. Presently, there are various platforms provided by the social media networks such as Facebook, Google plus, LinkedIn, YouTube, Skype, mysite, WhatsApp and Twitter in the strategic marketing of products and services for the hospitality industry. As such, social media networking has become an effective form of marketing which has raised the brand awareness, brand loyalty, customer services and has led to increase in sales. Invest more in social media marketing activities to attract and retain guests and distinguish themselves from their rivals in order to stay in the hospitality industry (Keh, Chu, & Xu, 2006; Brown & Ragsdale, 2002).

It is common knowledge that social media networking is available to anyone with an internet connection and should therefore be a platform that can be recommended to organizations such as the hospitality industry. This is because social networking enables organizations to increase their brand awareness and facilitate direct feedback from their customers. In essence, a business that understands the advantage of social media is well aware that social media is fundamental in developing new business in the current competitive and online driven market place (Cornelius, 2008).

Social networking has many benefits which include knowledge sharing, improved feedback/service, improved marketing and sales. From the

organizations' viewpoint, use of social network channel can enhance relationship to customers if social network is used to gather information from customers, analyze customer information, and respond to customers faster. Prior research on social network has mainly focused on individual perspectives such as the impact of social influence, social presence, behaviour and benefits. Social networking provides an opportunity to enhance relationship between customer and business. Therefore, it's important to know how to manage social network site in details so that organization can use as the framework to manage social networks more effectively. The better social network site management can make customers feel impression and intention to use the networks. Only effective social network site management can enhance knowledge sharing among employees (Abedniya & Mahmoudi, 2010)

### **Customer Acquisition Cost**

Customer acquisition cost refers to the cost associated in convincing a customer to buy a product/service and is incurred by the organization to convince a potential customer. This cost is inclusive of the product cost as well as the cost involved in research, marketing, and accessibility costs and is a very important business metric. CAC plays a major role in calculating the value of the customer to the company and the resulting return on investment (ROI) of acquisition. The calculation of customer valuation helps a company decide how much of its resources can be profitably spent on a particular customer. In general terms, it helps to decide the worth of the customer to the company.

According to Levitt (2006), customers are assets that need to be acquired before they can be managed for profit. Customer acquisition is hugely important to companies in many contexts: for new



business start-ups, when entering new geographic or customer market segments, when launching a new product, when exploiting new applications for an existing product or service, when marketing low involvement products and services, when repeat purchases are infrequent, and when switching costs are low. When social media markets show growth potential, it is strategically important for all players to grow the aggregate market size rather than protect their own customer base, through customer retention efforts. Customer acquisition is critical to any for-profit business and the efficiency or cost of acquisition is a key success metric, so it requires social media marketers to understand what these costs are, how they are measured, and where they stack up against competitors in their industry

### **Performance of Hospitality Industry**

Performance is regarded as an output which is aligned to objectives or simply profitability and is explained in terms of expected behavioural output and also results. Odhuon *et. al.*, (2010) asserted that the only worthy performance measure is financial performance because of its value to shareholders, executives and the market. Hospitality organizations are turning to performance measurement and management in order to qualify for the International Organization for Standardization standard certifications. General business pressures, the achievement of the coveted five-star rating and membership to international hotel associations have created the need for effective key performance indicators. Furthermore, organizations that have already implemented the balanced scorecard performance measurement system have shown much better results (Wadongo, Odhuno & Othun, 2010; in de Waal, 2007). Performance is related to increase in profitability and customer service delivery (meeting satisfactorily or exceeding customers" demand). Quintano(2009) draws attention to innovation as

the key to long-term success. According to Evans and Lindsay (2011), studies show that companies can boost their profit by almost 100% by retaining 5% more of their customers than their competitors as the cost of acquiring new customers is much higher than cost associated with retaining customers. Companies with long-time customers can outperform competitors with higher customer turnover (Bergin-sen & Jago, 2007).

Traditionally, companies in hotel services place heavy emphasis on the use of financial measures although they are historical by nature. The role of non-financial indicators, such as customer satisfaction, quality assurance, productivity, employee development etc. becomes important as they determine the competitiveness of a business as well as its ability to sustain profitability in the future(Kamau, & Waudu, 2012). Incorporation of non-financial indicators in performance measurement process is crucial particularly in the face of intense competition, shorter product (service) life cycle and rapid advances in technology, which characterize the contemporary business. Also, the changes in performance measurement practices should incorporate the changes in business environment and environmental variables in Kenyan hotel industry (Nganga, 2013).

There are a number of critical success factors, which appear common to most hospitality organizations, such as a customer focus, staff, quality of service and profitability. Once these have been identified it is possible to develop methods of measuring the performance of these factors (Melia, 2011). A good number of independent and chain hotels have opted for a Balanced Scorecard (BSC) approach or its adaptation. In the basic BSC model, a number of objectives (alternatively known as key result areas or critical success factors) are grouped into four major dimensions, i.e., the customer

dimension(market share, customer satisfaction measures, customer loyalty), the employee dimension(morale, knowledge, turnover, use of best demonstrated practices), the internal process dimension(productivity rates, quality measures, timeliness), and the financial dimension(revenues, earnings, return on capital, cash flow) (Quintano, 2009). All four dimensions are perceived to be equally important or balanced. Within each dimension, a limited number of objectives/key result areas (KRAs) are also deemed to be all equally important or balanced.

### **Empirical Review**

According to Tassave(2010) on the role of social media marketing in the hospitality industry, he illustrates that it is obvious that a hotel can save money, build and grow a network along with enhancing the relationship with the customers. It is also an excellent way to provide better client service and a long term investment with the customers (Tassava, 2010) for example according to Jake Hird, a Senior Research Analyst for E-Consultancy, taking 50 million as the benchmark, radio achieved that number of listeners in 38 years. Television reached that same number of viewers in 13 years. The internet took four years and iPod only required three years to reach that same number of users. Comparatively, in less than nine months, Facebook managed to reach 100 million users, while 1 billion iPod applications were downloaded in same time frame. (Hird, 2009).

A study conducted by two seniors at the Cornell School of Hotel Administration, Laura McCarthy and Debra Stock, explained that guest who travels frequently place their emphasis on reviews by consumers more so than the ratings awarded by established organization, such as AAA and Forbes. It is also surprising to find that people were likely to post both favourable and unfavorable review

(Hospitality Industry, 2010). Nielsen states that 57% of customers will research for online reviews before making a purchase of a product or service (The Nielsen Company, 2010)

InterContinental Hotels Group (IHG) is a multinational company and is the world's largest hotel group by number of rooms. Currently, IHG owns, manages, leases or franchises 4,400 hotels and more than 650,000 guest rooms in 100 countries all around the globe. IHG adopted social media platform at the fourth quarter of 2009. According to Kevin Hickey, IHG's global manager of lifecycle and e-mail marketing, shared that it was the emphasis on CRM enablement, and realizing the opportunities lies at the center of conversation with the customers—mostly due to technology that prompted the need to take a different approach to the email marketing efforts and integrate the email system and enable sharing (Fletcher, 2010).

Hjörtur Smárason, director of Scope in Iceland (a company specializing in branding, social media and internet marketing) wrote in his journal about a most recent campaign done by Radisson Blu Hotel. The mechanics were simple and effective, as they are giving away "the greatest holiday in the world", and the winner will stand a chance to win 365 free nights at any Radisson Blu hotel in the world and valid for five years. The competition started with at least 1500 participants, and within three days, the numbers rose to 3000 participants. The participants with the highest votes wins and Radisson Blu set up social media platform; Facebook to enhance the voting capability .On hindsight, the increase in participants would means that the branding for Radisson is spreading as far and wide in comparison with the campaign (Smárason, 2010). Therefore when interaction takes place with the brand, a community is built. People who were by-standers naturally become an advocate.

The Hyatt Hotels launched their corporate twitter account in July 2009 and engaged customer service staff on a round the clock shift around the world. A comment shared by John Wallis, global head of marketing for Hyatt, explains that the Twitter initiative is to provide the extra mile for service (Mackenzie, 2009). This is clear that people these days are taking their communication to an open medium with the use of Twitter. Hence, hotels using social media tools are indeed encouraging their customers to use the twitter service to voice their opinions. In separate occasion, Aaron Schwartz, an executive recruiter who stayed at the Marriott Renaissance Ocean Suites, Aruba in June 2008, made a video of the lovely beach, flamingos and uploaded onto YouTube. That earned him a complimentary week's stay when the general manager of the resort liked the video (Yu, 2008). This gesture encourages their guests who are social network enthusiasts (SNE) and as a result hotels take online videos more seriously as a marketing tool. Hotels can either create their own content to showcase their property or compliment it with their guests' videos (Yu, 2008).

Sirawit *et. al.*, (2011) observed that the use of ICT is an integral part of hotels because it increases hotel performance in various ways. Firstly, the use of ICT improves managerial activities and leads to better organizational performance. ICT has therefore been recognized as one of the drivers of hotel performance because hotels globally have to use ICT for all their processes (Ham *et. al.*, 2005). ICT has been widely used in hospitality industry to eliminate the gap between purchase and service experience (Law and Jogaratnam, 2005). This is because hospitality is a service which may not be experienced in advance because decisions are made away from guest experiences. Innovation entails addition of new technical knowledge to production of goods and services.

Technological innovation includes the development of new business methods to achieve desired objectives. ICT will lead to high organizational performance which is characterized by high financial income, continuous sustainable innovations, satisfied customers and a motivated human resource (Epstein, 2004). Sabri *et. al.*, (2004) in his study established positive relationship between ICT and the performance of firms. ICT positively influences employee performance because it is the human capital that spearheads innovations. All types of ICT will be totally dependent on the human resource of the organization who will design, run and review the programs (Zaheer *et. al.*, 2011).

Wong *et. al.*, (2007) confirmed a positive relationship between innovation and organizational performance and therefore when an organization achieves competence in making a certain product; it can add value to the product by investing in the latest and modern technology. The Resource Based Theory of the firm explains the role of ICT and performance by assuming that distinctive competencies are relatively stable overtime and are heterogeneously shared across firms (Denson, 2008). ICT has been cited as one of the valuable resources and sources of competitive advantage which influence organizational performance. Information Communication Technology involves the introduction of modern ideas within an organization which is one of the driving forces of performance in hotels (GoK, 2007). Cagna (2007) proposed ICT as one of the ways for the survival of organizations today. Shimplon *et. al.*, (2006) stated that ICT can be sustained by involving human resources to manage, create, transfer and implement knowledge.

The adoption of ICT has been widely supported by literature in the hotel industry which identifies it as

a strategic driver to organizational performance (Sharma and Upneja, 2005). Law and Jogaratnam (2005) supported the use of IT for operational purposes by stating that firm and location related factors are among the key issues that influence adoption of ICT in hotels. Lau *et. al.*, (2005) highlighted that the use of ICT in hotels was becoming a complicated affair because little attention had been given to the integration of ICT to key strategic management drivers (Segnupta *et. al.*, 2006). Barkhi and Daghfous (2009) stated that competition among hotels is a major catalyst for the need for innovation in technology because of the dynamic nature of today's organizations. Hotels just like other organizations have been forced to look for new sources of competitive advantage one of which is ICT (Raisinghani, 2005). Barkhi and Daghfous (2004) highlighted the readiness of hotels to adopt ICT and best practices and stated that current ICT infrastructure in hotels was enough to support adoption of best practices and improve the hotels performance.

### **RESEARCH METHODOLOGY**

This study used descriptive research design. This design refers to a set of methods and procedures that describe variables. The target population of interest in the study was 70 employees (Senior and middle level management) at KICC. Due to the manageable study population, the study adopted a census technique for 70 respondents. The study collected both primary and secondary data during the study. Primary data was collected using questionnaires. The questionnaire contained structured questions. The data collection procedure for the study began by obtaining a letter from the University of JKUAT and introducing it to organization management to permit the researcher to carry out the study in the organization. A pilot study was undertaken on 7 respondents to test the reliability and validity of the questionnaire. The

purpose of a pilot test is to test the reliability and validity of the questionnaire was to enable the researcher to amend the questionnaire as appropriate so as to capture data accurately. The data collected was quantitative and qualitative. Quantitative data was analyzed by employing descriptive statistics and inferential analysis using statistical package for social science (SPSS) version 21 and excel.

### **RESULTS AND DISCUSSION**

The study targeted a population of 70 respondents from which 50 filled in and returned the questionnaires making a response rate of 71.43%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. The research sought to determine the gender of the respondent and therefore requested the respondent to indicate their gender. The study found that majority of the respondent 52.45% were males whereas 47.55% of the respondents were females. On respondent's age distribution, the study found out that; most of the respondents 45% were aged between 41 to 50 years, 25 % of the respondents 30 to 40 years, 15% of the respondents were aged below 30 years, whereas 15% of the respondents were aged above 50 years. This implied that participants were well distributed in terms of their age. On period of service, the study revealed that most of the respondents 35% had worked with the organization for duration of 5-10 years, 40% had worked with the organization for a period 10-15 years and 25% worked for a period of 15 to 20 years. This implied that majority of the respondents had worked with the organization for a considerable period of time and thus they were in a position to give credible information relating to this study. The study requested the respondents to indicate their highest level of education achieved, from the research findings, the study found that most of the

respondents as 69% of the respondents held degrees, 20% of the respondents were holders of diplomas, 10% of the respondents were holders of masters degrees whereas 1% of the respondents held doctor of philosophy, this implied that respondents were well educated and they were able to respond to research questions with ease.

### Social Networking Sites

The study sought to assess the influence of social networking sites on performance in hospitality industry in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Very Great Extent; 4 = Great Extent; 3 = Moderate Extent; 2 = Small Extent; 1= Very Small Extent). Table 4.5 presents the findings. The scores of 'Very Great Extent' and 'Great Extent' have been taken to represent a mean score of 3.5 to 5.0. The score of 'Moderate Extent' has been taken to represent a mean score of 2.6 to 3.4. The score of 'Small Extent' and 'Very Small Extent' have been taken to represent a mean score of 1.0 to 2.5.

Table 1 presents the findings. As tabulated, a majority of respondents were found to small extent that firm has formally introduced use of face book, instagram , tweet among others to Increase brand awareness of services (M=1.893); The firm has formally integrated social networking sites to. Increase sales (M=1.823); The firm has formally implemented social networking sites educate and inform customers (M=1.657); The firm has formally introduced the social networking sites to improve customer service (M=1.714). The firm is inclined to use of social networking sites to monitor brand reputation (M=1.575). The study findings are in line with literature review by Faith(2014) who observed that the importance of social media networking sites for marketing in enhancing positive relationships between customers and business cannot be gainsaid( Faith, 2014). This is because they offer new and innovative ways to communicate and network via the internet. Presently, there are various platforms provided by the social media networks such as Facebook, Google plus,LinkedIn, YouTube, Skype, mysite, whatsapp andTwitter in the strategic marketing of products and services for the hospitality industry.

**Table 1: Social Networking Sites**

Statement	Mean	Std. Dev
The firm has formally introduced use of face book, instagram , tweet among others to Increase brand awareness of services	1.893	.097
The firm has formally integrated social networking sites to. increase sales	1.823	.208
The firm has formally implemented social networking sites educate and inform customers,	1.657	.254
The firm has formally introduced the social networking sites to improve customer service	1.614	.224
The firm is inclined to use of social networking sites to monitor brand reputation	1.575	.055
<b>Composite Mean</b>	<b>1.672</b>	



### Customer Acquisition Cost

The study sought to assess the influence of customer acquisition cost on performance in hospitality industry in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Very Great Extent; 4 = Great Extent; 3 = Moderate Extent; 2 = Small Extent; 1= Very Small Extent). Table 4.5 presents the findings. The scores of 'Very Great Extent' and 'Great Extent' have been taken to represent a mean score of 3.5 to 5.0. The score of 'Moderate Extent' has been taken to represent a mean score of 2.6 to 3.4. The score of 'Small Extent' and 'Very Small Extent' have been taken to represent a mean score of 1.0 to 2.5.

As indicated by high levels of agreement in Table 2, with a grand mean of 1.992, a majority of respondents stated that the organization uses customer acquisition cost to improve resources allocation (1.654); the organization uses customer acquisition cost to improve return on investment (1.985); the organization has formally introduced it to enter new geographic or customer market segment (1.765); It has enabled exploitation for

new applications for an existing services (2.098); The organization has used it for competitive advantage ( 2.108).

The study findings are in agreement with literature review by Levitt (2006) who suggested that customers are assets that need to be acquired before they can be managed for profit. Customer acquisition is hugely important to companies in many contexts: for new business start-ups, when entering new geographic or customer market segments, when launching a new product, when exploiting new applications for an existing product or service, when marketing low involvement products and services, when repeat purchases are infrequent, and when switching costs are low. When social media markets show growth potential, it is strategically important for all players to grow the aggregate market size rather than protect their own customer base, through customer retention efforts. Customer acquisition is critical to any for-profit business and the efficiency or cost of acquisition is a key success metric, so it requires social media marketers to understand what these costs are, how they are measured, and where they stack up against competitors in their industry.

**Table 2: Customer Acquisition Cost**

Statement	Mean	Std. Dev
The organization uses customer acquisition cost to improve resources allocation	1.654	.112
The organization uses customer acquisition cost to improve return on investment	1.985	.321
The organization has formally introduced it to enter new geographic or customer market segment	1.765	.201
It has enabled exploitation for new applications for an existing services	2.098	.103

The organization has used it for competitive advantage 2.108 .107

**1.992**

**Composite Mean**

**Performance in Hospitality Industry**

The study sought to find out the performance in hospitality industry with reference to KICC. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1= Strongly Disagree). Table 3 presents the findings. The scores of ‘strongly disagree’ and ‘disagree’ have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of ‘Neutral’ has been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of ‘agree’ and ‘strongly agree’ have been taken to represent a statement highly agreed

upon equivalent to a mean score of 3.5 to 5.0. Table 4.4 presents the findings. As tabulated, with a grand mean of 3.001 a majority of respondents were found to highly agree that in the industry, the firm ranks favorably against our competitors (3.765); The organization has significantly increased market share in the last five years (3.772); The firm has significantly increased its customer portfolio over the last five years (3.901); The firms turnover and profit have been increasing significantly over the past five years (3.569); The level of guest satisfaction is good (3.992); There is willingness of guests to recommend the services to others ( 3.880); There is an increase of occupancy rate (3.221).

**Table 3: Performance in Hospitality Industry**

Statements	Mean	Std. Dev
In the industry, this firm ranks favorably against our competitors	3.765	.520
The firm has significantly increased market share in the last five years	3.772	.600
The firm has significantly increased its customer portfolio over the last five years	3.901	.431
The firm has won industry performance awards over the past five years	3.569	.429
The firms turnover and profit have been increasing significantly over the past five years	3.992	.520
The level of guest satisfaction is good	3.880	.219
There is willingness of guests to recommend the services to others	3.221	.007
There is an increase of occupancy rate	3.002	.525
In the industry, this firm ranks favorably against our competitors	2.999	.276

**SUMMARY, CONCLUSION AND RECOMMENDATIONS**

The study findings indicated that majority of the respondents stated to small extent that the firm has formally introduced use of face book, instagram, tweet among others to Increase brand awareness of services. The firm has formally integrated social networking sites to. Increase sales. The firm has formally implemented social networking sites educate and inform customers. The firm has formally introduced the social networking sites to improve customer service. The firm is inclined to use of social networking sites to monitor brand reputation.

The study findings indicated that majority of the respondents affirmed by high levels of agreement that the organization uses customer acquisition cost to improve resources allocation. The organization uses customer acquisition cost to improve return on investment the organization has formally introduced it to enter new geographic or customer market segment. It has enabled exploitation for new applications for existing services. The organization has used it for competitive advantage.

The study findings revealed that majority of respondents were found to highly agree that in the industry, the firm ranks favorably against our competitors. The organization has significantly increased market share in the last five years. The firm has significantly increased its customer portfolio over the last five years. The firms' turnover and profit have been increasing significantly over the past five years. The level of customer satisfaction is good. There is willingness of customers to recommend the services to others. There was an increased occupancy rate.

**Conclusions of the Study**

Based on the study findings, the study concludes that performance in hospitality industry in Kenya is affected by social networking sites followed by customer acquisition cost; brand awareness and real time communication are the major factors of social media that mostly affect performance in hospitality industry in Kenya.

The study concludes that social networking sites are the first important factor that affects performance in hospitality industry in Kenya. The regression coefficients of the study show that social networking sites have a significant influence on performance in hospitality industry. This implies that increasing levels of social networking sites would increase the levels of performance in hospitality industry. This shows that social networking sites have a positive influence on performance in hospitality industry.

The study concludes that customer acquisition cost is the second important factor that affects performance in hospitality industry in Kenya. The regression coefficients of the study show that customer acquisition cost have a significant influence on performance in hospitality industry. This implies that increasing levels of customer acquisition cost would increase the levels of performance in hospitality industry. This shows that customer acquisition cost have a positive influence on performance in hospitality industry.

**Recommendations of the Study**

The study enhancement of social networking sites in the organization to increase performance in the hospitality industry. The organization can increase the usage of face book, instagram, tweet among others to increase brand awareness of services. This will educate and inform customers. Improve

customer service. The firm should incline to the usage of social networking sites to monitor brand reputation.

The study for the increase of customer acquisition cost to improve resources allocation. The organization can use customer acquisition cost to improve return on investment. The organization should formally introduce it to enter new geographic or customer market segment. This will enable exploitation for new applications for existing services. The organization should use it to enhance competitive advantage.

### **Suggestions for Further Studies**

The study findings demonstrated the important factors of social media on performance in hospitality industry to include; social networking sites and customer acquisition cost. The current study should therefore be expanded further in future in order to determine the effect of strategic legal framework on performance of hospitality industry. Existing literature indicates that as a future avenue of research, there is need to undertake similar research in other entities in Kenya and other countries in order to establish whether the explored factors can be generalized to affect performance in hospitality industry.

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