ST. MARY’S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
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THE APPLICATION OF SOCIAL MEDIA ON THE HOSPITALITY INDUSTRY: THE CASE OF 4-STAR HOTELS IN ADDIS ABABA

BY

ABDULKADIR MAMMA

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Geite Andualem. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

_________________________    ____________________
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St. Mary’s University College, Addis Ababa     May, 2013
ENDORSEMENT

This thesis has been submitted to St. Mary’s University College, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor      Signature

St. Mary’s University College, Addis Ababa    May, 2013
DEDICATION

I dedicate this to my ladies, Honey, Keni and Keti. Ladies, this one is for the patience you have shown and the unconditional love you have all given me during the past two years.
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TABLE OF CONTENTS

CHAPTER ONE – INTRODUCTION ......................................................................................................................... 1
  1.1. Background of the study .......................................................................................................................... 1
  1.2. The hospitality industry .......................................................................................................................... 2
  1.3. Social media ........................................................................................................................................... 3
  1.4. Statement of the problem ........................................................................................................................ 5
  1.5. Basic research questions ....................................................................................................................... 6
  1.6. Objective of the study ............................................................................................................................ 6
  1.7. Definition of terms ................................................................................................................................. 7
    1.7.1. Conceptual definitions ..................................................................................................................... 7
    1.7.2. Operational definitions .................................................................................................................... 7
  1.8. Significance of the study ........................................................................................................................ 8
  1.9. Scope of the study ................................................................................................................................... 8

CHAPTER TWO – REVIEW OF RELATED LITERATURE ........................................................................................ 9
  2.1. Introduction ............................................................................................................................................ 9
  2.2. Overview of the hospitality industry ...................................................................................................... 9
  2.3. The internet and the business of travel .................................................................................................. 10
  2.4. The internet as a new distribution channel ........................................................................................... 10
  2.5. Internet and online marketing and promotion ....................................................................................... 11
  2.6. From internet to social media ............................................................................................................... 12
  2.7. Social media and the development of Buzz Marketing ......................................................................... 15
  2.8. Development of “Buzzmarketing” in the Hospitality industry .................................................................. 16
  2.9. Social media and its impact on businesses in general .......................................................................... 17
  2.10. Social media in travel ......................................................................................................................... 18
  2.11. Social media and the hospitality industry ........................................................................................... 21

CHAPTER THREE – RESEARCH DESIGN AND METHODOLOGY ........................................................................ 23
  3.1. The research design ............................................................................................................................... 23
  3.2. Population and sampling technique ................................................................................................... 23
  3.3. Types of data and tools ......................................................................................................................... 24
  3.4. Procedures of data collection ................................................................................................................ 25
3.4.1. Structured interviews................................................................................................................ 25
3.4.2. Conducting interviews ............................................................................................................... 25
3.4.3. Questionnaires with travelers.................................................................................................. 26
3.4.4. The design of the questionnaire ............................................................................................... 26
3.4.5. The administration of the questionnaires ................................................................................ 26
3.5. Method of data analysis................................................................................................................... 27
3.6. Validity of data collection .............................................................................................................. 27
CHAPTER FOUR – RESULTS AND DISCUSSION ........................................................................ 28
4.1. Results ............................................................................................................................................. 28
4.1.1. Results of the Interview questions ........................................................................................... 28
   i) Perceptions of social media ............................................................................................................ 28
   ii) Profile of travelers ........................................................................................................................ 30
   iii) Major changes brought about by social media in the industry .................................................. 30
   iv) Social media: importance to travelers ......................................................................................... 31
   v) Challenges of social media ......................................................................................................... 32
   vi) The internet as reliable source of information ......................................................................... 32
   vii) The level of involvement of the hotels in social media ........................................................... 32
4.1.2. Results of the questionnaires ................................................................................................... 33
   A. Respondents’ profile ....................................................................................................................... 33
      i) Respondents’ age group .............................................................................................................. 33
      ii) Sex and marital status ............................................................................................................... 34
      iii) Continent of origin .................................................................................................................. 34
      iv) Traveling practice .................................................................................................................... 35
   B. Internet and social media usage .................................................................................................... 36
      i) Social network account ............................................................................................................ 36
      ii) Travel Forum .......................................................................................................................... 36
   C. Decision Making Process ............................................................................................................. 38
      i) Necessary piece of information before departure .................................................................. 38
      ii) Media used in selecting this hotel .......................................................................................... 39
      iii) The degree social media influencing decision making ....................................................... 41
   D. Future Actions ............................................................................................................................... 41
      i) Sharing this information ........................................................................................................... 41
ABSTRACT

Currently, social media networks and websites like Facebook, Twitter, Linkedin and many more are redefining the way people communicate and share their experiences. The objective of the study is to assess the level of application of social media in the hospitality business in the country with special emphasis on the 4-star hotels in Addis Ababa. The study is a descriptive research consisting of qualitative research methods using interviews and self-administered questionnaires. The research revealed that more and more tourists trust their peers, who already experienced a destination or services provided by a hotel or a restaurant. It also found that marketing managers in these hotels recognize the potentials of using social media networks but also feel that because of the typology of their client base, they prefer not to engage in a direct participation with customers online rather they believe that they can serve their customers better by engaging them in a live and case by case situation. Nevertheless, with the level of social media usage among the customers of 4-star hotels, the potential of using social media to communicate and engage with customers has a huge potential. Hotels can easily develop a modern word-of-mouth to disseminate information about the quality of their accommodation which these travelers are primarily looking for.
LIST OF ABBREVIATIONS AND ACRONYMS

RSS – Rich Site Summary
ILO - International Labor Organization
GDP – Gross Domestic Product
UNWTO - United Nations World Trade Organization
LIST OF TABLES

Table 4.1. Age Group of respondents ................................................................. 34
Table 4.2. Continent of origin of respondents ...................................................... 34
Table 4.3. Summary of social network used by travelers ..................................... 36
LIST OF FIGURES

Figure 4.1. Reason for travel and Hotel Bill settlement ............................................................... 30
Figure 4.2. Percentage of respondents who belong to a travel forum........................................... 37
Figure 4.3. The type of information travellers are looking for online ........................................... 37
Figure 4.4. Necessary piece of information before departure....................................................... 38
Figure 4.5. Summary of Respondents’ response to using social media to gather information about
the hotel they are staying at. ....................................................................................................... 39
Figure 4.6. Type of information travelers are looking for online ................................................. 40
Figure 4.7. Source of Information for the hotel other than the internet................................. 40
Figure 4.8. The Extent of social media in influencing the decision making process .............. 41
Figure 4.9. Benefits of online reviews..................................................................................... 42
CHAPTER ONE – INTRODUCTION

1.1. Background of the study

Travel and tourism is the largest service industry globally in terms of gross revenue and foreign exchange earnings. It is also one of the largest employment generators in the world. Tourism is both cause and consequence of economic development. It has the potential to stimulate other sectors in the economy owing to cross-synergistic benefits and its backward and forward linkages (Africa Travel Association, 2010).

Moreover, the sector has been a major social phenomenon and is driven by social, religious, recreational, knowledge seeking and business interests and motivated by the human urge for new experience, adventure, education, and entertainment. The hospitality industry is one of the major components of this sector and is located right in the middle of all this process (Ibid, 2010).

One of the most pressing issues for the hospitality industry is to keep more and more travelers coming to the country and it has become extremely competitive in this regard. The most reasonable measure to stay in competition seems to increase their occupancy rate by encouraging more and more tourist and travelers visit the country. The business of travel and tourism in general and hospitality in particular, depends on references and recommendations from other people (Ibid, 2010). Now-a-days people are turning more and more to the internet in search of opinions and updates on similar and very many other issues. This is much more evident currently in the expansions, wide acceptance and use of the so called social media (Xiang & Greizel, 2010).
In Ethiopia, the hospitality industry heavily depends on conventional media for communication and advertising (UNWTO, 2005). In addition, few 4-star hotels have websites or a few more have other form of online presence. Hence, the effort of coordinating the marketing activities that include advertising, brand management, segmenting and so on through the various media available including the social media, and the impact of social media like Facebook, TripAdvisor and Twitter has for companies, as well as the relative scarcity of research on this area are all reasons why this research was initiated.

This study is about the level of use and application of social media among the customers of the hospitality business in Ethiopia, with a particular emphasis on 4-star hotels in Addis Ababa. By studying the use and level of application within these hotels, the study aimed to identify appropriate social marketing approaches that can be applied in the industry to increase the volume and size of tourism in the country. The study made use of qualitative methods of investigation that include interviews with randomly selected marketing managers of 4-star hotels in the city and self-administered questionnaires.

1.2. The hospitality industry

In general, the hospitality industry refers to hotels, resorts and other accommodation service giving businesses. The hospitality industry is part of the travel and tourism sector of the economy whose significance to economic development is paramount. According to the ILO Sectoral Activities Programme, compared to other sectors of the global economy, the hospitality industry is one of the fastest growing, accounting for more than one third of the total global services trade (Ibid, 2005).

In 1990 the tourism sector recorded 438 million international tourist arrivals while there were, 684 million in 2000, 904 million in 2007 and 922 million in 2008 (ILO, 2010). In Africa, the same industry is growing even faster than other regions and is expected to grow even further. Africa receives more tourists than the Caribbean,
Central and South America combined. The contribution of tourism to GDP is an average of 8.9% in East Africa in 2007 (Africa Travel Association, 2010). Similarly, the US is the top source market for Tanzania, Ghana, Rwanda, Ethiopia and Zimbabwe but the primary destination for American tourists is Southern Africa. East Africa is the second most visited region for long-haul tourists; Kenya attracts the most followed by Mauritius and Tanzania (ILO, 2010).

Hence, along with the transport industry, the economic reach of the hospitality is immensely broad. The supply chain generates business activity for many other parts of the economy and in particular for the retail, transport and restaurant sectors. Hotels provide a forum for business meetings, tradeshows and conventions that are important catalysts for economic growth (Ibid, 2010). In Ethiopia, according to the ministry of culture and tourism, there are Twenty four star hotels spread out in the country with 90% located in the capital Addis Ababa with an average room per hotel of 120 rooms and an average occupancy rate of 85% (Ethiopian Tourism Bulletin, 2012).

1.3. Social media

Social media refers to the information and communication technology platforms designed for social interaction in real-time, such as wikis, discussion forums and blogs. These platforms are available on public sites such as Facebook and private sites such as Jive and Yammer. Some sites are more specialized in their objectives than others, eg., Linked-In’s objective is to enable professionals to create and share profiles and to enable HR professionals to interact with them, while Facebook’s objective is to enable information creation and interaction for more general audiences (Fischer & Reuber, 2011).

In the year 2012, social media became one of the most powerful sources for news updates through platforms like Twitter and Facebook. As a result, in the mainstream business world, social media was being incorporated in the communication methods of companies and has changed the way organizations interact with their customers.
The communication has generally become bi-directional where customers are using these new media to talk about their preferences, while organizations are leveraging these channels to interface with their customers like never before (Chung & Buhalis, 2008).

Naturally, social media’s increasing influence on our daily lives has rapidly extended into the ways we get away. From planning a vacation with social media to posting reviews of our trips upon our return, there’s no denying social media’s impact on travel today. Studying social media is especially important because these travelers interact with these platforms differently than traditional media (White, 2010). Hence, social media encompass an inherent shift of informational power from the advertiser to the consumer, in which consumers decide which content to ignore and which to pass along to others in their network. Many consider this sharing of online content as powerful as word-of-mouth and network marketing which the hospitality business depends on heavily (Sirakaya & Woodside, 2005).

This makes recommendation services a predictable way for people to get travel advice from an extensive network of people who have real insight into what to see, do and hear and a willingness to share it. Hence, social media has become a serious marketing channel rather than just a cool, unprofitable endeavor. In fact, according to the report by Shar Van Borkirk (2008), the spending of companies on social media is expected to be around 3.1 billion dollars by the year 2014. It is, therefore, considering these facts and its impact on the hospitality industry that it became the focus of the study to determine the extent of social media application in the country with the special emphasis on the 4-star hotels in Addis Ababa.
1.4. Statement of the problem

The service industry, such as the travel and tourism, heavily depends on more and more visitors coming into the country and no other industry relies on this than the hospitality industry (Africa Tourism Association, 2010). In Ethiopia, where it is claimed by many that the country has not utilized its resources in terms of tourism, the issue of creating and maintaining a lively network of visitors both local and international, has a paramount significance for the country’s economic development (Ethiopian Tourism bulletin, 2012).

Currently, social media networks and websites like Facebook, Twitter, Linkedin and many more are redefining the way people communicate and share their travel and touring experiences. As a result, more and more companies are turning to these platforms to gather information, keep their customers informed about their products and so much more (Chung and Buhalis, 2008). In Ethiopia, however, the hospitality industry heavily depends on conventional media for communication and advertising. However, this is not considered adequate by international industry standards (UNWTO, 2005).

As competition in the hospitality industry is in an international setting, the fast rate of social media adoption in other countries makes the issue more important for the state of tourism for the country as a whole. Countries compete with each other for tourist by offering what is at their disposal in the form of natural attractions, culture and so on. But it’s one thing to attract visitors to a certain country and its is quite another to satisfy them with the amenities they require (Ibid, 2005). Hence, this study aimed at looking into the application of this social communication platform within the customers of these hotels and to what extent it affects their decision.
1.5. Basic research questions

By studying the application of social media on the hospitality industry in Ethiopia, the study aimed to provide answers to the following questions:

- What is the profile of customers that visit 4-star hotel in Addis Ababa?
- What is the influence of their profile on their decision making process?
- What is the rate of social media usage among the customers of 4-star hotels in Addis Ababa?
- Which of the social networks are in use among customers of 4-star hotels?
- What is the role of internet and social media in the decision making process of customers of 4-star hotels?
- What is the perception of social media among marketing managers of 4-star hotels in Addis Ababa?
- To what extent is social media being used by 4-star hotels in Addis Ababa?
- What are the prospects of using social media in the hospitality industry?

1.6. Objective of the study

The objective of the study is to assess the level of application of social media in the hospitality business in the country with special emphasis on the four star hotels.

The specific objective of this study was to:

- Explore the profile of the customers of 4-star hotels in Addis Ababa and its influence on their decision making process.
- Assess is the rate of social media usage among the customers of 4-star hotels in Addis Ababa.
- Explore the type of social networks that are in use among customers of 4-star hotels.
- Assess the use of internet and social media network in the decision making process of travelers to 4-star hotels.
• Explore the perception of social media among marketing managers of 4-star hotels in Addis Ababa.
• Assess the level of social media application by 4-star hotels in Addis Ababa?
• Assess the prospect of using social media by 4-star hotels in Addis Ababa.

1.7. Definition of terms

In this section, the relevant concepts and terms are defined as either conceptual and/or operational.

1.7.1. Conceptual definitions

Social media – refers to the information and communication technology platforms designed for social interactions in real-time, such as discussion groups, forums and blogs (Fischer & Reuber, 2011).

Hospitality industry – refers to Hotels, resorts and other accommodation service giving businesses.

1.7.2. Operational definitions

Guests – this term includes all travelers, customers and tourists that stay at 4-star hotels.

Lived Experiences – this term refers to physical experiences of hotel guests that they acquired by actually being present at hotels.

Modern Word-of-Mouth – this term refers to the online communication through which guests create by speaking with each other by using the internet and social media networks.
1.8. Significance of the study

Worldwide, a large number of companies are increasingly using one or another form of social media to reach customers in a better and more cost effective manner than traditional marketing allows. Since the common theme in the hospitality industry is how travel is such a personal experience, such information on the best travel experience doesn’t come from guidebooks. Instead, it is gained from people that share lived experiences about places to be visited.

Hence, the study has practical significance as it highlights the prospects of using social media in the hospitality industry. It also provides indications to the hospitality industry to explore which social media is in use worldwide and which strategies to use in order to increase their visitors. It also provides recommendations for 4-star hotel management in the area of social media application in their marketing efforts.

1.9. Scope of the study

The study focused on the application and usage of social media within the 4-star hotels in Addis Ababa. The level of application of social media platforms like Facebook, Twitter, LinkedIn, Tripadvisor and many more and their effect on marketing and overall business result are discussed and analyzed. The study also gathered data on the awareness level and existence of social media usage among the four star hotels particularly of the right tools to target the right customers will be the focus of this research.

However, due to time and resource limitations, the study has a small sample size and is only limited to exploring the extent to which these hotels are actively participating in the global social media to attract more travelers to their hotel in particular and to the country in general. The study doesn’t investigate the contents of such social media communications and interactions with clients.
CHAPTER TWO – REVIEW OF RELATED LITERATURE

2.1. Introduction

In this chapter, an overview of the hospitality industry including what the industry entails, its contribution to the global as well as local economy, as well as the level of development of the industry in the Ethiopian context is discussed. This is followed by a detailed review of the interaction of the internet and business as well as its level of application among guests in the hospitality industry. Finally the topics of social media and its interaction with the hospitality industry are discussed.

In the first section, this chapter presents a literature review of the overall hospitality industry. It presents what the industry contains and what the major contributions are to the overall global as well as local economy. It also presents the current market conditions of the industry in the Ethiopian context. In the second section, further review of literature is made on the internet and its potential, its advantages and its drawbacks for the hospitality industry and how it gave rise to the social media over the period of the past ten years. In the third section, the researcher develops the concept and philosophy of travel and social media, giving examples of tourism companies involved in this process, such as traditional tourism actors as well as other social media websites.

2.2. Overview of the hospitality industry

The hospitality industry is one of the major components of the tourism sector of an economy. It refers to hotels, resorts and other accommodation service giving businesses within the tourism sector where its economic reach is uncommonly broad. Hotels also provide a forum for business meetings, trade shows and conventions that are an important catalyst of economic growth (ILO, 2010). Hospitality is a major global growth industry. There are now some 12.7 million hotel rooms around the
world and the number of new rooms planned or under development (1.3 million) equates to more than 7% of the existing worldwide, while in the Middle East and Africa which together are responsible for almost half of the new rooms under construction the share is more than 20% (Africa Travel Association, 2010).

According to the Ethiopian Ministry of Culture and Tourism, the number of hotels in the country has significantly increased particularly over the last few years. Just a decade ago there were only 50 to 60 hotels while there are currently some 350 (about 100 of them in Addis) that are expected to fall under five-star to basic rating categories that can provide services ranging from highly rated to the basic ones. These hotels are expected to accommodate 20,000 to 30,000 guests where the presence of lodges and guest houses will increase that number (The Ethiopian Tourism bulletin, 2012).

2.3. The internet and the business of travel

While describing and defining the concept of social media as well as its impacts on the hospitality industry, it is relevant to study the role of the internet and the importance of online travel and to evaluate the advantages and drawbacks of online marketing and promotion for tourism.

2.4. The internet as a new distribution channel

The report on the development of the internet by UNWTO (1999) states that after the stone age, the iron age and the age of industrialization, the world is now entering the information age, where information is the tool that is shaping peoples’ lives. The new media, internet, and its huge audience are the very roots of this new age, as argued by the UNWTO:
The internet has ushered in the information age, an era of sweeping change that will leave no business or industry untouched. It took radio 30 years to reach 90 million people. Television took 15 years to achieve the same penetration. The internet has achieved this in just three years and its rate of growth continues to accelerate. UNWTO 1999 p.145

According to UNWTO, internet could be naturally considered as one of the major tools of this new era, simply because they introduced a modern word-of-mouth revolution in the communication and the information process. Individuals have now the possibility to communicate their experiences and thoughts to all worldwide internet users (Gretzel, 2007).

2.5. Internet and online marketing and promotion

On one hand, the internet is considered as a good and a quite cheap way for companies, big or small, to promote their products and directly reach their customers through new marketing tools (White, 2010). For instance, the concept of behavioral targeting - in opposition with traditional advertising which disturbs customers (Kotler and Bliemel, 2001) directly reaches customers through targeted advertising, which matches their personal interests. Moreover, the internet, with its large number of users, brings an important and significance audience, which is likely to improve the image and popularity of a product, brand, or a company.

Internet communication tools like emails provide a quick communication between the company and its customers (Vermeulen & Seegers, 2009). The internet promotion is also measurable. Thanks to a website it is quite easy to know how many visitors had a look at the website, how long they have stayed on it or what the click rates are. This enables companies to evaluate how efficient an advertising campaign is and what changes could be brought (White, 2010).
On the other hand, White (2010) states that, online marketing has also some drawbacks. First, some small companies with limited budget cannot invest in big and expensive online advertising campaigns. Second, it is difficult to evaluate the legitimacy of a service or a product on the internet where companies cannot ensure that they are dealing with trustworthy and reliable companies. Third, there is the problem of geographical distance between the consumer and the company. It may be a problem for some reluctant customers to be physically isolated from the seller.

The internet can also lead to a confusion (UNWTO, 2005), where the user can hardly make a decision because of a too high a number of offers and information. In addition, there will always be people without Internet access or simply people who do not use the internet. In Ethiopia, for example, out of more than 80 Million people, only 0.5% of the population had access to the internet in the year 2010 although that figure will have grown over that last two years (Africa Travel Association, 2010). And finally as argued by Kotler and Bliemel (2001), online marketing is not always appropriate for all products and all companies where there are some products and services which cannot be sold or promoted over the internet.

In general, with its millions of users the internet has become an important distribution channel. It has naturally spread over the travel and tourism sector, boosting the development of online travel worldwide. As a result, online marketing enables companies to reach directly consumers globally or locally at lower costs than with traditional promotion methods. But the internet also presents some drawbacks: all companies and products are not promotable on the web and all people cannot access the internet.

2.6. From internet to social media

After different evolutions, the internet has given birth to a new form of communication, the social media, which could be described as a collaborative web, where all internet users can add their own content, share, collaborate and socialize
freely. In other words, social media is the democratic takeover of the information by the internet users thanks to tools, which facilitate consumers’ involvement on the web (White, 2010).

Xiang & Gretzel (2010, p.179) define social media as:

*online content created by people using highly accessible and scalable publishing technologies. Importantly, it seems to represent a shift in how people discover, read and share news, information and content.*

Although there are a number of approaches in terms of social media classifications, among others Fisher & Reuber (2011) proposed a scheme that classifies social media types according to their level of social presence/media richness, and level of self-presentation / self-disclosure. By doing so, they identified six types of social media:

- Social networking websites (i.e. Facebook, Linkedin),
- Blogs, where users can add their own contents
- Content communities (i.e. YouTube, Flickr, Scrib, Slideshare, Delicious),
- Collaborative project (i.e Wikipedia, Wikitravel),
- Virtual social worlds (i.e. Second Life), and
- Virtual game worlds (i.e. World of Warcraft).

Still however, such a classification neglects other types of social media such as microblogs (i.e. Twitter), consumer review and rating websites (i.e. TripAdvisor, Epinions) and internet fora (i.e. ThornTree, Fodor’s Travel Talk). Nevertheless, social media is a network of people connected over many websites, blogs, microblogs where they can share news, chat with each other, share documents and reviews. Due to the informal nature of the interaction the phenomenon has been coined the “social” term to indicate the fact that this is more of a natural need for people to connect and share things that are happening around them (eMarketer, 2008).
The most popular social media tools are hotel rating systems, blogs, forums, podcasting and wikis. Hotel rating systems are one of the first tourism collaborative tools. They give the opportunity for customers to give a mark for services provided during their stay in a hotel; so that other future consumers can make a decision about the hotels they will sleep in and find the best offer (Xiang & Gretzel, 2010). Blogs are online diaries with a weak degree of community feeling: readers can write and add comments. They encourage customers to give their opinions and to share their experiences, pictures and trips. It is also a good chance for companies especially service providers like hotels-which create blogs- to increase the modern word-of-mouth about their products, services or brands (Gretzel, 2007).

Forums are also an important social media tool. They enable a gathering of opinions around a topic or a common interest, developed through discussions. Podcasts make it possible to save a programme automatically, corresponding to the consumer’s interest. As an example, Portugal official tourism website offers podcasting to internet users and potential tourists, in order to make them discover the destination through audio and video files (Mack, et al, 2008). Wikis enable internet users to add content to a website. The best and most famous example is Wikipedia, where readers can also become editors. Other similar tools are RSS which stands for Really Simple Syndication, a file which allows the user to get updated information what he or she is the most interested in (Gretzel, 2007).

The RSS system gives a direct and quick access to the needed information, without looking for it. For example, the travel agency Expedia set up RSS service for his customers, who receive directly all the information concerning, destinations and promotions they are interested in. This trend, however, was totally revolutionized with the emergence of more interactive networking sites like Facebook and Twitter, hence the term social media (Vermeulen, & Seegers, 2009).
2.7. Social media and the development of Buzz Marketing

According to Vermeulen & Seegers (2009, p.18), the consumers’ saturation with traditional push advertising campaigns have boosted the development of alternative marketing. “Alternative marketing is about assisting the consumer in his daily life without saturating his environment or disturbing his private life”. One of the most popular forms of alternative marketing is the buzz marketing, which can be defined as “capturing attention of consumers and the media to the point where talking about your brand becomes entertaining, fascinating and newsworthy” Buzzmarketing, (2007, P.16).

The website Buzzmarketing.com (2007) points out that all companies must remember word-of-mouth is the oldest form of communication and marketing. Nowadays, the majority of marketing campaigns adopt push strategies, that is to say companies advertise some products and consumers are stimulated by this advertising and buy the product. Buzz marketing, a form of “stimulated word of mouth” Jespen (2006, p.30) is following a pull strategy, encouraging people to talk about a product, a brand or a company.

Therefore, the buying process is not only a one-way process: consumers also need the point of view of other consumers to make a decision and get the best offer (Culturebuzz, 2007). A good example of a buzz marketing strategy in the travel and tourism industry is the advertising campaign launched by Nouvelles Frontieres. As described by Culturebuzz (2007), three humorist movies encourage internet users to talk about the campaign and the company. This contributes to increase the modern word-of-mouth about the company and to improve its image. To sum up, Culturebuzz (2007) defines the buzz marketing as a way of creating modern word-of-mouth, setting up conditions and tools needed for a general information transmission. It is through the internet and its millions of users that the modern word-of-mouth has become a serious matter giving the opportunity to increase the perception about a product, a brand or a company, as pointed out by Gretzel (2007).
2.8. Development of “Buzzmarketing” in the Hospitality industry

To understand how tourism companies can set up new and appropriate marketing strategies, it is important to explain the reasons for the development of alternative marketing in general as well as in the travel and tourism industry.

A first reason is the decline of the traditional marketing and advertising. As explained by Vermeulen & Seegers (2009) consumers are less and less sensitive to traditional advertising and are developing a form of resistance to it. According to a study conducted by the authors, 65% of consumers have the feeling to be harassed by advertising and 60% of the respondents have a more negative opinion about push marketing and advertising than just a few years ago. Moreover, the development of this new form of marketing is also due to the need for a “shared emotion”. In other words, consumers and also human beings are expecting more than just a personalized offer; they also need to share something with other consumers. This will contribute to reinforce and develop their identity.

Furthermore, this need for a shared emotion or shared interests with a specific community explains the development of tribal marketing, which seeks at supporting the link between customers helping them to share their passions (De Valck et al, 2009). According to White (2010), it is thanks to the expansion of the internet that marketing has become viral, giving the opportunity to Internet users to share their emotions and develop a community feeling for common passions or interests and therefore encourage the modern word-of-mouth around a product, a company or a brand.

Therefore tourists definitely need information and advice before their trips from people who already experienced a place. According to Jespen (2006), as advertising from companies is not always reliable, they prefer to ask to their friends and family. Tourists are more likely to trust someone having no commercial interests in sharing
information or their travel experiences (Chung & Buhalis, 2008). This explains the development of spontaneous word of mouth and buzzes marketing in the tourism and travel industry (Jespen, 2006).

2.9. Social media and its impact on businesses in general

Social media has somehow changed the information process: the traditional communication pattern from the business to the consumer seems to be less and less popular. Current customers want to have direct contact with other customers to know more about the real experiences they did at a specific destination or with a company. In effect, consumers have become active contributors of the web (Ibid, 2006).

Similarly, it was also argued in as early as 2006 by Jepsen, that social media has started replacing traditional sources of information. And it was later supported when it was described as in Inputs- Processing-Response models that social media might influence the buying behavior process (Fisher and Reuber, 2008). The importance of this phenomenon was highlighted furthermore by De Valck, et al (2009) who suggested that virtual communities are becoming important networks of consumer knowledge that influence consumer behavior.

Today, social media enjoys a significant rise in their popularity among internet users. Facebook claims that its active users reached more than 750 million worldwide, spending more than 700 billion minutes per month (Facebook, 2011); Twitter hosts 175 million users who on an average week post one billion tweets (Twitter, 2011); YouTube users view daily over 3 billion videos (YouTube, 2011); and it is estimated that there are over 170 million blogs worldwide (BlogPulse, 2011).

In 2006, Jepsen predicted that social media impacts in travel will be tremendous. In the same year, it was found that 82% of US online consumers have checked online reviews, blogs and other online feedback for their travel related purchasing decisions (eMarketer, 2008). And in recent years, due to developments in Information and
Communication Technologies in the form of easy internet access, social media has dramatically changed how consumers plan and consume travel related products (Buhalis & Law, 2008). Today, TripAdvisor, serves more than 50 million users per month who seek advice about their travel plans and hosts a similar number in travel reviews and opinions (TripAdvisor, 2011).

Hence, it is no wonder that many organizations are monitoring blogs and Tweets, and others are pushing out news and promotional messages through social media channels. Social media allows for a level of conversation in ways never before possible presenting enormous opportunities for research, brand building and the creation of brand followers (Kaplan & Haenlein, 2010). The value of social media is that users are highly engaged and want to be heard. So, by listening to them and approaching them from their own point of view, it is possible to have a positive impact on beliefs and perceptions (Fischer & Reuber, 2011). So what is the impact of social media on travel?

2.10. Social media in travel

Social media, today, is redefining the way companies conduct their communication with customers and their overall business and travel companies are not exceptions. A large number of travel companies are increasingly using blogs, Facebook, Twitter, and other social means to reach customs in a better, more cost-effective manner than traditional advertising allows (Vermeulen & Seegers, 2009). Due to the personal and experiential nature of the holiday travel product, travel related purchases are considered complex and involve high risks and as a result require extensive information search (Sirakaya & Woodside, 2005). Within such information search processes, consumers rely on other travelers’ experiences as a mean to increase the exchange utility and decrease uncertainty (Xiang and Greizel, 2010). And just after the creation of the first virtual communities it became apparent that their online content was perceived similar to recommendations provided by friends and family (Vermeulen & Seegers, 2009).
During the social media era, social media applications increased in popularity, usage levels providing a new wave of social networking and enabling self-expression and sharing of content. The eMarketer report (2010), supports that 23% of US internet users were “somewhat” or “significantly influenced” by social media for their travel/holiday related decisions. Social media is, therefore, becoming increasingly important in travel planning, primarily for their function as vital information sources providing access to other travelers’ experiences (Chung & Buhalıs, 2008). At the same time, apart from their function as information sources, social media enable storytelling, a usual post-travel activity, on a ‘24/7’ basis to large audiences, and also provide a sense of belonging into virtual travel communities (Jepsen, 2006).

A number of studies have focused on the impact and role of social media in travel related decisions. Jepsen (2006) found that online reviews posted in a travel related consumer review and rating website increase travelers’ confidence during decision making, reduce risk, assist them in selecting accommodation and therefore facilitate decision making. Moreover, it was found that travelers read accommodation reviews throughout the various stages of the travel planning process: Before travel as a source of ideas, as a mean to narrow down choices, and post accommodation choice in order to confirm the choice made; during the trip; after the trip to compare and share experiences; but also as an ongoing process even if there is no trip ahead.

Mack et al (2008) studied the influence and credibility of travel blogs and found that traditional word-of-mouth is more trustworthy than blog posts, suggesting that modern’ word-of-mouth generated from sources with which travelers have strong social ties is more trustworthy than that from strangers. However, they found that those who post in blogs perceive the authoritativeness of blogs as similar to that of traditional word-of-mouth, leaving space for future improvement of blogs’ credibility as the number of those who post to blogs increases over time.
Jepsen (2006) found that user generated content is perceived as more credible when posted to official tourism bureau sites rather than in review sites, travel blogs social networking sites and content communities. Vermeulen & Seegers (2009) studied consumer reviews’ impacts on choice of accommodation and found that the consideration of a hotel is enhanced by exposure to both negative and positive consumer reviews. Moreover, in their attempt to reveal the role of social media throughout the travel planning process, Cox et al (2009) found that social media are mostly used before the trip, while during and after the trip their use was very limited. More specifically, social media were primarily used after the holiday destination choice rather than during the evaluation of destination choices. Moreover, social media were perceived as less trustworthy than traditional sources of information (i.e. official tourism websites and travel agents).

White (2010) suggests that travel related photos in Facebook generate interest to viewers and can easily become part of the viewer’s travel plans. Contrary to findings of Mack et al. (2008), and Cox et al. (2009), Del Chiappa (2011) supports that trustworthiness of tourism- related blogs is second only to consumers’ reviews found online. As a result, unlike classic advertising from tourism actors, the user-based information has become more and more important for tourists, as argued by Gretzel (2007, p.4),

*most online review readers perceive other travelers’ reviews as being more likely to provide up- to date information, enjoyable information and reliable information compared to content posted by travel service providers.*

According to Gretzel (2007), these user-based content travel reviews have a great influence on the tourists’ planning process, mainly because they report lived and real experiences from other tourists. Accordingly 59% of the respondents declared having been encouraged and influenced by blogs to visit a region. Then, 44% declared that
blogs helped them to choose a destination and 28% of the respondents have decided not to visit a region after having checked a blog (Ibid, 2007).

In general, social media is changing the internet giving the opportunity to all internet users to get involved in the process. Social media uses the collective intelligence of travelers to offer the best to tourists. It is also a chance for them to save time and to have a direct access to the information needed (Ibid, 2007). People want authentic travel experiences that are real. It can be argued that these websites have improved the quality and the transparency of the information for travelers and tourists, who will be informed more concrete and honestly with data from different suppliers in order to be able to offer transparent services to consumers.

2.11. Social media and the hospitality industry

First of all, as mentioned previously, social media websites are using the collective intelligence of tourists, but companies in the hospitality industry are also of course using this intelligence and free workforce. They take advantage of these strategies as a powerful promotion tool, to boost their products and offerings; it is also the case for many tourism companies, which set up blogs, forums or travel diary contests, in order to increase the modern word-of-mouth around their services or their brands (Xiang and Gretzel, 2010). Through social media tools, hospitality companies like hotels can create in the long term a feeling of a community among their members, who become active promoters of a city, a region or a country. Travel related social networking is also a good chance for hospitality companies and organizations to promote their services or destinations, through advertising or partnerships.

Second, social media has given the chance for companies to improve and open a dialogue with their customers as well as to have a better knowledge of their needs and wants (Mark et al, 2008). Social media has changed the way to handle with the consumer: the one-way talk from the offer to the demand is over; companies try now to lead discussions with him or her. Third, social media is also a chance for the personalization of a product or a service, which plays an important role for
consumers. Travel websites enable consumers to personalize their trips and give the chance for tourism companies to cater to their customers’ needs, in terms of personalization (Ibid, 2008).

Companies such as Intercontinental and Delta airlines have understood the importance of consumers’ needs for personalization and for lived experiences, as shown by the setting up of a platform of videos where members of their staff present their destinations, in a very special way: Internet users do not have the feeling to be in front of advertising, but just in front of a nice travel guide (Fischer and Reuber, 2011). Moreover, social media enable small tourism companies with limited budgets to have direct contact with consumers. Then, for big and smaller actors such as tour operators or hotels, blogs and travel social networking websites are a good chance to identify mistakes and problems regarding their services and destinations (Chung & Buhalis, 2008).

As argued by Fischer and Reuber (2011), social media’s most significant change for the Hospitality industry is the rating of travel destinations or hotels which have drastically changed the information process and therefore the quality of services provided. The rating of tourism actors triggered by the development of social media indeed gives a big chance for the tourism and Hospitality industry to improve its services to tourists. With the modern word of mouth and the internet contagion, this excludes all actors providing bad-quality or poor value for money services.
CHAPTER THREE – RESEARCH DESIGN AND METHODOLOGY

This chapter presents the methodological approach used for the research project. The study made use of a combination of interviews and questionnaires, in order to explore social media practices and application in the hospitality industry, from the point of view of four star hotels and their customers.

3.1. The research design

The study is a descriptive research. The study consisted of qualitative research methods to analyze the application of social media on the hospitality industry. The research methodology involved gathering relevant data from the specified documents and analyses the material and arrives at a more complete understanding of the level of social media application in the hospitality industry in Ethiopia. This study used a qualitative data collection tool in a way of interviews with marketing managers, of 4-star hotels in Addis Ababa. Four interviews were be made with hotel marketing managers to further investigate the extent of social media usage within their marketing strategy. The study also used data gathered from a randomly selected hotel guests where a structured questionnaire was prepared and distributed.

3.2. Population and sampling technique

The Population of the study included 4-star hotels in Addis Ababa out of which a sample frame of seven hotels were randomly selected using a lottery method. Out of the 24 four star hotels in the country, 21, representing almost 90%, are located in Addis Ababa. To have a fair representative sample size for the study, 7 hotels were selected using a lottery system. These represented 33% of the total population of the 4-star hotels in the capital city.
Out of these, due to time and cost implications, a probability sampling technique was applied to determine which four (57%) marketing managers will be involved in the structured interviews. And with an average hotel room of 120 and an average occupancy rate of 85%, the study involved conducting a self administered questionnaire to 10 guests from each hotel. A simple random sampling technique was applied to determine which 70 hotel guests from which hotel are to be asked to respond to the structured questionnaires. This involved 10% of the total population of the sample size and 3% of the overall 4-star hotel guests in Addis Ababa at any given time.

Respondents to the questionnaire were selected from the seven hotels using a cluster sampling of assigning 10 questionnaires from each hotel. It is the researcher’s goal to establish clusters that are representative of the population as a whole, although in practice this may be difficult to achieve. After the clusters are established, a simple random sample of the clusters is drawn and the members of the chosen clusters are sampled. Such sampling is employed because the researcher is unable to compile a comprehensive list of all the elements in the population of interest.

Then a convenience sampling was applied to determine which ten hotel guests were asked to respond to the questionnaires. Despite the drawback in terms of the lack of sampling accuracy, where the probability of inclusion in the sample is unknown for each respondent, such sampling was primarily employed because the time and cost of collecting information can be reduced.

3.3. Types of data and tools

The study used a combination of questionnaires and interviews as a source of data. As little research has been undertaken for this topic in tourism, such sources of data is necessary, mainly because it does not create problems of accuracy and perfectly fit the research problem. On the one hand, Xiang & Greizel (2010 p.124) defines a
qualitative study as “a study exploring the psychology of individuals, [which] aims at explaining of behaviors and opinions”.

As suggested by Churchill and Brown (2004 p.93) a qualitative study is an exploratory research about “the discovery of new ideas and insights” and “clarify concepts”. As a result, in order to reach the aim and objectives mentioned previously, this research was undertaken within the framework of a qualitative and quantitative research.

3.4. Procedures of data collection

In order to collect primary data, the researcher adopted a combination of structured interviews, and self administered questionnaires,

3.4.1. Structured interviews

To investigate the topic “Social media usage among 4-star hotels” from the point of view of marketing managers, the researcher decided to conduct interviews.

interviews are a qualitative data collection method which offers the opportunity to collect rich, descriptive data about people’s behaviors, attitudes and perceptions, and unfolding complex processes. Hague (2004 p.72)

3.4.2. Conducting interviews

Four interviews were conducted in December 2012 with the following marketing managers:
• Marketing manager of Jupiter international hotel
• Marketing manager of Harmony hotel
• Marketing manager of Beshale hotel
• Marketing manager at Atlas hotel

3.4.3. Questionnaires with travelers

To better describe the profile and the practices of social media websites, questionnaires were administered to travelers. As argued by Hague (2004 p.121), questionnaires are useful tools to evaluate how consumers behave with a specific product or service: “Questionnaires are at the soul of market research surveys. They drive interviews to find out behavior and attitudes to products and services.”

3.4.4. The design of the questionnaire

This research project was based on a semi-structured questionnaire composed of 23 closed and open questions, in English for foreign travelers. In order to answer to the aim and objectives of the thesis, the selected questions were gathered around four main topics, preparation of holidays, internet and holiday planning, using travel websites, respondent profile.

3.4.5. The administration of the questionnaires

For a better representatives of the tourist population in the country, the questionnaires were administered during a two-week period, in face to face in different tourist places in Addis Ababa and more precisely at Jupiter International Hotel, Ghion Hotel, Atlas Hotel, Global Hotel, Beshale Hotel, Crown Hotel, and Harmony Hotel. These hotels were selected based on a lottery process where the names of these hotels were randomly drawn from a pool of twenty one 4-star hotels in Addis Ababa.
3.5. Method of data analysis

In this section, the data analysis of the qualitative data gathered from the structured interviews and the self administered questionnaires has been described in further detail. The analysis of the interviews was divided in two different steps. First information was gathered around general topics, such as perceptions and definition of social media. Second, these general categories were used to include reflection on social media from the respondents. Data generated by questionnaires were analyzed and the analysis of the questionnaire’s closed questions uses the standard method of percentages. This enables to get more precise and relevant information about the profile of the respondents, as well as their needs and expectations regarding social media (Hague 2004) and the impact on their decision making process.

Regarding the analysis of open questions in the questionnaire, all the answers were gathered in specific categories and classified through appropriate code frames, corresponding to a common pattern. In order to establish a relationship between questions, a cross analysis involving two or more variables was used (Ibid, 2004). For example, questions about the respondents’ use of the internet were cross-analyzed with other questions related to age, nationality or the profession of the respondent. This analysis helps “to identify segments and to show how people determine the importance of different issues when they are choosing products or services” (Ibid 2004 p.176).

3.6. Validity of data collection

Regarding the questionnaire, it is hard to believe that the sample used is fully representative of the global population. Moreover, Hague argues (2004) that the analysis of open-ended questions is highly judgmental. In other words the results depend on the researcher. This is also true for qualitative data analysis in general. Furthermore, according to the same author, interviews can be a restrictive tool for the findings, in the sense that they require quick answers.
CHAPTER FOUR – RESULTS AND DISCUSSION

In this chapter the findings of the study, after having conducted four interviews with marketing managers and conducting 70 self administered questionnaires to hotel guests in Addis Ababa is presented.

4.1. Results

In this section, the results of the interview questions are presented followed by the results of the questionnaires. The data collected from both sources is further analyzed in the later section.

4.1.1. Results of the Interview questions
The interview questions were prepared to investigate the level of awareness about social media among marketing managers of the four star hotels included in the study.

i) Perceptions of social media

In the response to the interviews questions, three different perceptions of social media have been identified. First, social media is an evolution than a revolution. Second, social media is becoming a good source of information for travelers. And thirdly, social media is contributing significantly to the traveler referral system. Moreover, while stating their view of social media, the marketing manager of Jupiter international hotel stated that, the technologies already existed before the development of social media sites like Facebook and Twitter where people were sharing their experiences online in one way or another.
Moreover, according to the marketing manager of Harmony hotel, internet and social media in particular are becoming good source of information used by tourists for the preparation, the planning and the booking of their holidays and trips. This information source is not exclusive but complementary, as tourists inform themselves through different ways. This assumption also corresponds to the results of the questionnaire survey where the majorities of the respondents use the internet (75.7%) and consider it as an important information source for the planning of their trips.

Consequently, all subjects in the interview agree that the internet is an important information source, that may influence tourists’ decisions both positively and negatively and at the same time it can also provide misleading information. Accordingly, people cautiously trust more their friends than tourism companies, especially in subjective areas such as tourism and travel (marketing manager of Beshale hotel). This is also the point of view of the marketing manager of Atlas hotel, who declared that tourists may prefer information from their peers, as the information from some travel guides may be influenced by commercial interests.

Furthermore, as described by the marketing manager of Harmony hotel, the new media gave value back to the referral system. He points out that, until today referral system was generated by traditional advertising from big companies. Now, however, the consumers have become active contributors of the travel referral system. This means that more and more consumers trust other consumers to make a decision about a hotel or another service.

However, he argues that this does not relate very much with the client base of the four star hotels. It also appears from the analysis of the main findings as shown in figure 4.1., which the profile of travelers are company sponsored and are travelling for business reasons (77.1%). All of these respondents say that they travel often or very often for business reasons and out of which 83% say that their company pays for their hotel in one way or another.
ii) Profile of travelers

When asked to characterize the modern traveler, the marketing managers in the interview all imagine that the modern tourist as very independent, and using different sources of information. This new tourist is not renouncing to the traditional travel and tourism actors but takes into account the influence of other actors to make his decision for more personalized trips. More specifically, the marketing manager of Atlas Hotel considers these new tourists to be using the internet as a tool in an important approach to find the best offer.

iii) Major changes brought about by social media in the industry

The result of the interviews shows that, social media has brought about major changes for the modern traveler and the marketing manager Harmony hotel sees a real change. According to him, it requires more involvement from the internet users. The travelers were only readers in the past, but now have become real actors of the information process by adding their own content and information on the sites and ultimately making decisions that affect businesses.
The big change brought by social media is the different access to the information as well as the sharing and the organization of information. Through links, it enables information movement from a blog to another and provides information directly: that is the technology of sharing. But it is also a technology of organization of the information, in the sense that contents are classified and categorized according specific topics or interests (marketing manager of Jupiter hotel).

iv) Social media: importance to travelers

The marketing manager of Atlas hotel described two big trends that are emerging in the internet and social media that are very important to travelers of today. The first of these travel websites is a website which integrates several services, such as maps (e.g. Google maps). The second tendency concerns the implementation of online existence that is trustable enough to engage potential tourists and their circles. According to the marketing manager of Harmony hotel, it is also difficult to find a reliable Facebook page as most create fake versions of themselves on the internet. On a positive note, however, according to the marketing manager of Jupiter hotel and marketing manager of Atlas hotel, another important element of social media is the tourists’ need for lived experiences. It is through personal travel stories that these kinds of social network websites are attracting more and more visitors.

The results of the study also indicated that the respondents choose the internet as a source of information for their trips and holidays, partly because they can find lived travel experiences on the web. The respondents trust travel reviews, mainly because they come from people who already experienced the place or the destination that they want to visit. As suggested by the marketing manager of Beshale hotel, the other component of social media websites that is impacting the hospitality industry to some extent is their communitarian aspect, through the social networks they have created. As we mentioned previously, these websites are gathering people around same interests. According to him, this communitarian degree can vary from a website to another.
v) **Challenges of social media**

As we already mentioned in the literature review, some limitations and problems need to be considered regarding the use of social media websites. According to the marketing manager of Beshale hotel, the problem of trust is emerging with the social media development: “*Sites must be able to generate an identity for the person, who is giving his opinion*”. The user-based information must be controlled through the community, which should identify which editor is reliable or not, granting him credits, as the marking system developed by eBay (marketing manager of Beshale hotel). This is also the point of view of the marketing manager of Atlas hotel, who declares that the website content is controlled and managed by the travel community and its more active members”.

vi) **The internet as reliable source of information**

Asked if they thought the internet was a reliable source of information, they all agreed that the internet is a powerful tool in any sort of business. However, they all questioned the reliability of information posted on social media. They pointed out that it is difficult to identify the exact identity of the user as many users use false names to disguise their true identity. Nevertheless, they maintain that the internet remains a potentially powerful communication tool available for both the travel and the hospitality industry as the latter heavily depends on the referral system.

vii) **The level of involvement of the hotels in social media**

The marketing managers involved in the study all indicated that it is not in their company policy to respond to any information made available to the public rather than addressed to them directly. None of the hotels involved in the study maintain any sort of online existence except for their own website. They all responded that they encourage face-to-face feedback systems where inquiries, complaints and
compliments can be addressed in person. In terms of encouraging guests to share their experiences, they said they preferred and encourage in almost all cases written comments from visitors rather than engaging in online chats to an unnamed internet user.

4.1.2. Results of the questionnaires

The data collected from the questionnaires were analyzed using basic statistical tools. The findings are discussed according to the structure of the questionnaire and with the reference to the major objectives of the research. The structure of the questionnaire was made up of the following sections:

A. Respondents’ profile
B. Internet and social media usage
C. Decision making process
D. Future action

A. Respondents’ profile

This section of the questionnaire covered the respondents’ age, sex, continent of origin, and marital status. It also covered their reason for travelling, how long they will be staying and how often they travel. The personal data helped contextualize the findings and the formulation of appropriate recommendations to enable the better utilization of social media for the hospitality industry.

i) Respondents’ age group

The respondents were asked to indicate to which group of age group they belonged to. Table 4.1 depicts the respondents’ age group.
With a total of 9 age groups to choose from, all of the respondents are only in one of the three group ages as indicated in the table with a half of them in the age between 36 and 45. This indicated that most of the travelers staying in these four star hotels are adults who can afford the rates in one way or another.

### ii) Sex and marital status

Of the total of 70 respondents the majority are male (76%) while the rest are female travelers (34%). This indicated that there are more male travelers than female in the four star hotel businesses. Moreover, 61% of the respondents said they are married while the rest 39% said they were single.

### iii) Continent of origin

Consistent with other tourism reports, the majority of the respondents said they have come from the Americas (North and South America). Table 4.2 depicts the respondents' continent of origin.

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>10</td>
<td>14%</td>
</tr>
<tr>
<td>Asia</td>
<td>10</td>
<td>14%</td>
</tr>
<tr>
<td>Europe</td>
<td>16</td>
<td>23%</td>
</tr>
<tr>
<td>The Americas</td>
<td>34</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Table 4.2. Continent of origin of respondents**
This indicated that since most travelers to the country come from the Americas where the culture of intensive social media usage is available, it could be very influential to make appropriate strategy to utilize the technology.

**iv) Traveling practice**

In order to study the profile of the travelers to these four star hotels, respondents were asked to respond to their traveling profile in terms of their reason for visit to the country, how long they would be studying and how often they travel in general. The respondents were also asked to indicated how their hotel bills are going to be settled by indicating either through a sponsor like their company or by themselves in the form of per-diem or out of pocket bill settlement.

The results of the study indicated that most of the surveyed are traveling for business (77%) while the rest are traveling for both pleasure and holidays (23%). And consistently the majority of the respondents (81%) are staying for either a week or less than that. And regarding their frequency of travel, over half (51%) of the respondents travel very often, and a quarter (26%) travel often while the rest (23%) travel once in a while.

This indicated that most visitors to four star hotels are visiting the country for business reasons and are staying for a small number of days. This is also consistent with the other finding that 77 % of the respondents are either sponsored by their companies or are refunded through per-diems. This further indicates the effect the traveling practice of the respondents’ have on their social media activity. Those who travel most have many things to share with peers than those who travel less. Moreover, those travelers whose bills are settled by their respective companies may less reluctant to share their experiences as these experiences are somehow paid for somebody else and may view it less critically.
B. Internet and social media usage

This section consisted of six questions about respondents’ level and extent of the internet in general and social media usage in relation to their holiday planning and scheduling in particular.

i) Social network account

Responding to the question “Do you have a social network website account? Only 8% of the respondents responded by saying “No”. And when analyzed with the age group of the respondents, those who responded “No” are those in the age group of 46-55 and are travelling for pleasure reasons. Those respondents who do have a social network site were asked to indicate which social site or in which combination of social sites they belonged to. The result is summarized in table 4.3.

<table>
<thead>
<tr>
<th>Age group</th>
<th>Reason for visit</th>
<th>Social network</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;55</td>
<td>Business</td>
<td>Twitter</td>
<td>10</td>
<td>14.3%</td>
</tr>
<tr>
<td>36-45</td>
<td>Business</td>
<td>Facebook, Twitter, Linkedin</td>
<td>27</td>
<td>44.3%</td>
</tr>
<tr>
<td>36-45</td>
<td>Business</td>
<td>Twitter and Linkedin</td>
<td>9</td>
<td>14.3%</td>
</tr>
<tr>
<td>46-55</td>
<td>Business</td>
<td>Facebook and Linkedin</td>
<td>9</td>
<td>14.3%</td>
</tr>
<tr>
<td>46-55</td>
<td>Pleasure</td>
<td>Facebook and Linkedin</td>
<td>8</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>70</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 4.3. Summary of social network used by travelers

ii) Travel Forum

Respondents were asked if they belong to a travel forum where other travelers like themselves share and organize information. The Majority (76%) responded “Yes” while the rest responded “No” as shown in the figure 4.2 below.
Interestingly, the same respondents who belong to travel forums are those who responded positively to the question “Do you think the internet is a reliable source of information?” This indicated that travelers join travel forums because they think that such social media provide them with reliable information. Furthermore, in order to understand the value of information gathered from the internet, social media and travel forums, respondents were asked to identify the type of information they usually look for when planning and organizing a trip. Figure 4.3 shows the result.

This indicated that travelers in the 4-Star hotel business are more interested in the quality of the accommodation than other parameters like price as found earlier where most of the travelers are traveling for business reasons and their bills are usually paid by their employers.
C. Decision Making Process

Under this section of the questionnaire, respondents were asked to respond to questions that relate to their decision making process that they used in order to choose the particular hotel they were staying at.

i) Necessary piece of information before departure

To investigate what type of information is considered important for the travel preparation, respondents were asked to rank which piece of information is necessary for the travel preparation and the results are shown below in figure.

![Pie Chart](Figure 4.4. Necessary piece of information before departure)

This indicated that travelers mainly look for information about the accommodation as most of the travelers to four star hotels are travelling for business and may have some level of knowledge from other sources about their destination and other sources of information like prices of hotels and local culture have lesser significance.
ii) Media used in selecting this hotel

To understand the effect of social media on the decision making process of travelers, respondents were asked to indicate whether or not they have used information from the internet in selecting the hotel they were staying at. Figure 4.5 shows the result that indicated that despite considering the internet as a good source of information and adding to the fact that most are travelling for business reasons, most travelers who stay at four star hotels do not look to the internet in search of information about the hotel they plan to stay at.

![Figure 4.5. Summary of Respondents’ response to using social media to gather information about the hotel they are staying at.](image)

Furthermore, out of those who responded “Yes” to the above question to are generally looking for information on the quality of accommodation than other parameters as shown in figure 4.6 below indicating that most travelers are looking for references about the quality of the accommodation as a top information in making their decision whether or not to stay at the hotel.
Out of those who did not use the internet or other social media to make decision on which hotel to stay at, are predominantly using other old fashion advice from their peer and friends as well as information from hotel booth found at the airport. Figure 4.7 summarizes the findings.

This indicated that most business travelers are still relying on the old fashion method of booking hotels at arrival and referring to friends and colleagues’ advices.
iii) The degree social media influencing decision making

In the final question of this section, respondents were asked to rate the extent of influence social media has had on their decision making process. As shown in the figure below, the majority of the respondents claim that the information has had little to moderate influence on their decision making process.

![Figure 4.8. The Extent of social media in influencing the decision making process](image)

D. Future Actions

In the final section of the questionnaire, respondents were asked four questions to see to what extent their future actions will be influenced by their usage of social media.

i) Sharing this information

In general, despite their reason for visit or duration of stay as well as the influence social media has had on their decision making process, 76% of the respondents said they are not going to share their experiences on the social media. And out of the 34%
who decided they are not going to share their experiences on social media, almost half of them will do so despite having social media network accounts for one single reason of not believing that the internet can be a good source of information and their reviews might mislead others.

ii) **Importance of online review**

Respondents were asked to rate the level of importance these social media networks offer traveler by selecting either, very important, important or not important, only a minority of the respondents claim that such online reviews are not important. These set of respondents are consistent with their view that the internet is not a reliable source of information. However, the majority (87%) feel that such reviews are either important or very important.

iii) **Advantage of using this source of information**

From the response of the respondents six major benefits of social media can be identified. The results are summarized in figure 4.9 below

![Figure 4.9. Benefits of online reviews](image-url)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>reduces travelling stress</td>
<td>8</td>
</tr>
<tr>
<td>real experiences</td>
<td>9</td>
</tr>
<tr>
<td>None</td>
<td>9</td>
</tr>
<tr>
<td>lived experiences</td>
<td>8</td>
</tr>
<tr>
<td>Share real experience among travellers</td>
<td>9</td>
</tr>
<tr>
<td>informed decision making</td>
<td>18</td>
</tr>
<tr>
<td>better information than Hotel ads</td>
<td>9</td>
</tr>
</tbody>
</table>
4.2. Discussions

The study involved seventy respondents in a self administered questionnaires where it was found that, the majority of the respondents are male (76%) and mostly between 36 and 45 years old (51%). They generally are American (49%). The results of the study indicated that most of the surveyed are traveling for business (77%). Out of the respondents,, over half (77%) of the respondents travel either very often or often. The study also found that the majority of the respondents are those whose hotel bills are paid by their companies either in the form of direct pay or pre-diems.

Moreover, the study shows that, the majority of the respondents agree that the internet is a valuable source of information and the same respondents say that they belong to travel forums where they gather similar information during planning a trip where quality of accommodation is the major information sought during travel forum search for planning and organizing their trips. This has mainly to do with the fact that as most of the travelers to four star hotels are travelling for business and may have some level of knowledge from other sources like their friends and colleagues about their destination and other information have lesser significance.

The results also show that most travelers who stay at four star hotels do not look to the internet in search of information about the hotel they plan to stay at. And when they do, most travelers are looking for references about the quality of the accommodation as top information in making their decision. Finally, the results show that travelers are still relaying on the old fashion method of booking hotels at arrival and referring to friends and colleagues’ advices indicating that most travels are not being affected by the information that is available on the internet. The results show that travelers may be looking for some informative stories online but only a few of the respondents have been significantly affected.
The result of the questionnaire show that, the majority will not share their experiences on the social media where almost half of them will not do so despite having social media network accounts because they do not believe that the internet can be a good source of information and their reviews might mislead others. The respondents however indicated that for those who would share their experiences, they would do so because they believe it would help significantly other travelers make informed decisions while they also believe that they can provide lived experiences and convey better information than the hotel ads.

The interviews conducted with four marketing managers indicated that, considered as an evolution more than a revolution, social media has changed the involvement of the internet user, transforming into a real actor of the information process. The study has shown different perceptions of this new tool. First tourists consider the internet and social media as important information sources, especially for the preparation and the planning of their trips and holidays. Then social media could be considered through its important role of referrals: the results of the study indicated that the information provided on the internet influence tourists in their decision making process. However, more and more consumers are still looking for information from their peers regarding their holidays and trips. Thirdly social media seem to have changed the organization of the information on the internet. With this new web, the information available on the internet is classified around topics, categories and interests.

Regarding the developments in social media, some trends and problems are progressively emerging. The need for lived experiences remains the main component of this tendency. Tourists want information and advices from other customers who have already visited a destination or stayed in a hotel. Another idea is related to the communitarian aspect, which fluctuates from a website to another and encourages tourists to transform the internet from a utilitarian tool to a common project with shared interests.
CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis of the results from the primary research in the previous chapter and in accordance with the research objectives, conclusion and recommendations as well as the limitations of the study are presented in this chapter.

5.1. Conclusion

This research presented the development of social media and its level of application in the hospitality industry with specific focus on selected 4-star hotels in Addis Ababa. It can be concluded from the results of the study that there is a specific profile of travels that are visiting 4-star hotels in Addis Ababa. These visitors are made up of mainly males between the ages 36-45 travelling for business reasons. And because they are travelling for business, these visitors make frequent travels and their duration is usually shorter. These visitors are sponsored by their companies for which they are working.

From the profile of the visitors, it can be concluded that these visitors focus on the quality of accommodation than the price as their hotel bills are paid by their respective companies. It was also found that the majority of the visitors use professional social network sites along with other less professional. And because these visitors are older than the usual social network users, they are less inclined to share everything they experience and focus more on their professional suggestions about their experience and are careful on what they would like to share.

Despite their age group, the visitors of the 4-star hotels in Addis Ababa use social media actively. Most of these users use a combination of more professional sites like LinkedIn with a combination of less professional sites like Twitter and Facebook. Despite the importance they attach to the information from the internet and social media, travelers to 4-star hotels in Addis Ababa are still relaying on the old fashion
method of booking hotels at arrival and referring to friends and colleagues’ advices. Travelers may be looking for some informative stories online but only a few of the respondents have been significantly affected.

It can be concluded from the study that the internet, with its huge number of users, the internet has become an important distribution channel encouraging the development of online travel. The results of the study also showed this important role for the hospitality industry, as many of the respondents use the internet as an initial source of information for the preparation, the planning and the booking of their holidays.

Considered by the respondents as a reliable and important information source for tourists, the internet has a big role of reference. As revealed by the study, tourists read travel information from their peers and take it into account in their decision making. Its role is even more important than the influence of traditional advertising. Finally the internet and social media websites are tools for organization of the information, which facilitates its access to the user. The development of alternative marketing and social media tools such as forums, wikis, blogs or RSS shows that consumers have developed a form of resilience to traditional advertising and marketing methods.

The research conducted in this report revealed that more and more tourists trust their peers, who already experienced a destination or services provided by a hotel or a restaurant. This is particularly important for travel experiences, which involve an important risk taking and increase the importance of the word-of-mouth. Moreover, the need for a shared emotion and lived experiences are additional reasons that encourage consumers to listen more to their peers than to traditional tourism actors.

Regarding the changes for tourists, social media is a chance for them to save time, having access rapidly to the right and needed information. They also make it possible for them to reduce their risk uncertainty and increase confidence during the decision making process. For most of user-based websites, tourists also enjoy a better transparency and objectivity of the information.
Marketing managers in the 4-star hotels in Addis Ababa perceive that travel has changed and there is a new trend emerging with the modern tourist. They perceive that the modern tourists’ profile is much more independent than their predecessor, “the traditional tourists”. They use many information sources, to get the best reviews on the quality of accommodation and make their decision. The internet is used to surf and to pay online, mainly because of the easy and quick access of this media.

But, in Ethiopia, this does not exist as the financial systems in place do not allow for such online transactions. The business travelers read travel reviews and user-based content on the internet but seem to be more reluctant to share information through other social networks. However, what could encourage them to write about their experience is simply the fact to share their knowledge and give advice to other tourists about a place they visited.

It can be concluded from the results of the study that marketing managers in 4-star hotels in Addis Ababa recognize the potentials of using social media networks but also feel that because of the typology of their client base, these hotels prefer not to engage in a direct participation with customers online. They feel that despite the potential there is also the risk of running into unidentifiable customers. It can be very difficult to identify which are actual customers and which are just fake social network accounts. Because of this reason, the level of application among the 4-star hotels in Addis Ababa is nonexistent. None of these hotels use any form of social media to engage with their customers. These hotels believe that they can serve their customers better by engaging them in a live and case by case situation.

Nevertheless, with the level of social media usage among the customers of 4-star hotels, the potential of using social media to communicate and engage with customers has a huge potential. Hotels can easily develop a modern word-of-mouth to disseminate information about the quality of their accommodation which these travelers are primarily looking for.
5.2. Limitations of the study

As argued by Hague (2004), consumers markets are “massive”, with target audiences of millions of people. Therefore, in such a short period of time, it is almost impossible to have an accurate and very representative sample of the global population of all Internet users and potential Travelers. With this questionnaire, the researcher does not expect to reach perfect representatives of the global population and assumes that a sample of 70 questionnaires is enough to have a first picture and identify some trends of the social media market, from the point of view of consumers’ practices, needs and expectations.

In addition, due to lack of independently verifiable data on the issue and similar marketing strategies in the country, the study depended on self reported data that was made available by the hotels. Moreover, there is a lack of previous studies conducted on the topic in the area with specific emphasis on Ethiopian 4-star hotels. And because it is a recent phenomenon, there is also a lack of literature on social media application in the industry and in the country in general. Hence, the study depends mainly on data gathered from the internet, respondents and some case studies that was conducted in other business fields that make use of social media.

5.3. Recommendations

These research findings suggest the use of social media tools and strategies for 4-star hotels, as consumers are more and more influenced by the lived experiences of their peers. Because of the low level of application in their business, management in the hospitality sector in Ethiopia should take the initiative to implement these tools, in order to increase the modern word-of-mouth about their products or brands.
• Furthermore the study shows that interests at stake are huge in using the collective intelligence of thousands of tourists. Therefore, the hospitality industry must take advantage of this tendency to update, improve their service quality and open a real dialogue with consumers to better cater to their needs.

• Moreover, hotels also need to take into account integrating and creating social media websites of their own, which are a real invitation for them to develop partnerships and therefore promote their services.

• 4-star hotels should develop and run their own social media websites that can demonstrate the positive qualities of their accommodation as well as references from other guests who have stayed before

• Hotels need to Connect with passionate travelers online by engaging interested customers through social media and encourage them to share their positive experiences.

• Hotels need to focus on professional referral systems that encourage business to business online communication within their own networks or other online social groups.
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ANNEX I

Interview Questions for Marketing Managers,

Dear sir,

My Name is Abdulkadir Mamma and I am a student at St. Mary’s University College, and I am conducting a study investigating the Impact if Social Media on the Hospitality Industry with a special emphasis on the 4-Star Hotels in Addis Ababa. Social Media is a relatively new and innovative, and there is little research that has examined travelers’ perceptions and experience of using social media on the hotel selection process. This will take a few minutes of your time but I believe your views and ultimately the results of this study will hopefully improve the operations of hotel operation in Ethiopia.

1. What is your view of Social media?
2. What do you think of travelers these days? How do you characterize them?
3. What do you think is the main change brought about by social media?
4. How do you rate the importance of Social Media in your line of business?
5. What are the main challenges of Social Media to the Hospitality Industry? And in Ethiopia in particular?
6. Do you consider the internet as a good source of info for travelers and why?
7. To what extent is your hotel engaged in similar internet based communication with its customers?
8. What is your experience with traveler’s practice of sharing info?
9. What do you think of the importance of having specialized and similar websites by hotels to encourage travelers to share their experiences?

Thank you for your time
A study to investigate the Impact if Social Media on the Hospitality Industry with a special emphasis on the 4-Star Hotels in Addis Ababa.

Dear Respondent,

My Name is Abdulkadir Mamma and I am a student St. Mary’s University College, and I am conducting a study investigating the Impact if Social Media on the Hospitality Industry with a special emphasis on the 4-Star Hotels in Addis Ababa. Social Media is a relatively new and innovative, and there is little research that has examined travelers’ perceptions and experience of using social media on the hotel selection process. The results of this study will hopefully improve the operations of hotel operation in Ethiopia.

I am interested in your experiences in the social media, so I have enclosed a questionnaire which asks you to respond to a series of statements and questions. The items in the questionnaire focus on your decision to select this hotel and how you thought you were influenced by the information available online. Items also ask you to report how often you use the internet and social media, and how you would share your experiences in this hotel. Finally, the questionnaire includes statements why you would or would not share your experiences with other travelers online.

I want to stress that your participation in this study is voluntary and all efforts to protect your identity and keep the information confidential will be taken. If you have any questions or would like us to pick up the questionnaire please do not hesitate to contact us in the following addresses.

Abdulkadir Mamma  Email: Abdulkadirmamma@gmail.com  Tel (M): 0911488377
St. Mary’s University College -  Email: sgs@smuc.edu.et  Tel (D): 0115546669
Web Site: www.smuc.edu.et  Tel (D): 0115524566

This survey is completely anonymous and no information you give can be traced back to you or used against you in any way.

Thank you very much for your cooperation.

Abdulkadir Mamma
### A. Respondent’s Profile

1. **Age Group**

<table>
<thead>
<tr>
<th>&lt; 26</th>
<th>26-30</th>
<th>31-35</th>
<th>36-40</th>
<th>41-45</th>
<th>46-50</th>
<th>51-55</th>
<th>55-60</th>
<th>&gt; 61</th>
</tr>
</thead>
</table>

2. **Sex**

- [ ] Male
- [ ] Female

3. **Marital Status**

- [ ] Single
- [ ] Engaged
- [ ] Married
- [ ] Divorced
- [ ] Widowed

4. **Country of Origin (Continent)**

- [ ] The Americas
- [ ] Africa
- [ ] Asia
- [ ] Europe
- [ ] Other

5. **Reason for Visit**

- [ ] Business
- [ ] Pleasure

6. **How often do you travel?**

- [ ] Very Often
- [ ] Often
- [ ] Once in a while

7. **How long are planning to stay?**

- [ ] more than a week
- [ ] A week
- [ ] Less than a week

### B. Internet and Social Media Usage

8. **Do you have a social network website account?**

- [ ] Yes
- [ ] NO

9. **Are you a member of a travel forum?**

- [ ] Yes
- [ ] NO

10. **If yes, which of these websites do you use for social networking? (Tick all appropriate)**

<table>
<thead>
<tr>
<th>Facebook</th>
<th>LinkedIn</th>
<th>Twitter</th>
<th>TripAdvisor</th>
<th>Other (Specify)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Hotel Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advise of locations</td>
</tr>
<tr>
<td>Price</td>
</tr>
</tbody>
</table>
11. “Which kind of information do you look for on the Internet for your holidays?”

12. Did you use the Internet to book the hotel and pay on line?

13. Do you think the Internet is a reliable information source?

C. Decision Making Process

14. “What do you consider as a necessary piece of information before the departure?” (Please Rank)

15. Did you use the Internet or Social Media for gathering information about the hotel?

16. What type of information were you looking for on the internet while making your decision?

17. When selecting this hotel, what other source of information did you use?

18. To what extent has this information from social media websites influenced your decision?

D. Decision Making Process

19. How would you rate the importance of online reviews of hotels and accommodations?

20. Are you going to share your experience with your family and friends through social media?
21. If Yes, Why
_____________________________________________________

22. If No, Why not?
_____________________________________________________

23. What do you think is the benefit of using such info source?
_____________________________________________________
_____________________________________________________
_____________________________________________________
_____________________________________________________
_____________________________________________________
_____________________________________________________

You are now finished with this questionnaire. I sincerely appreciate your assistance.

Thank you for your time.