The Relationship between Internet-based Advertisements Customer Retention in Conventional and Budget Hotels in Uasin Gishu, Kenya

Phyllis Walaba

Department of Hotel and Hospitality, Kabianga University

Abstract: *In Kenya, advertisement is a multi-billion shilling industry. Increasingly, Internet-based advertising media are overtaking many of the traditional media such as television, radio and newspaper because of the rapid shift toward consumer's usage of the Internet. No studies have been conducted to show the extent of adoption of internet-based advertising mediums and their effect on the different aspects of businesses in Kenya. Thus, this study aims to determine the extent of adoption of Internet based advertising in the conventional and budget hotels in Kenya how it affects the customer retention. The study was done in Eldoret town in Uasin Gishu County. The study adopted descriptive research design. The target population comprised 20 convectional and budget hotels. Simple random sampling was used to select 10 establishments while systematic random sampling was used to select the 210 customers who participated in the study. Purposive sampling was used to select the 10 management staff. Data was collected using questionnaires. Data collected was analysed using descriptive statistics and Pearson linear regression with the aid of SPSS. The results showed that Internet-based advertisements had positive relationship with customer retention but not significantly correlated (r=0.788, p=0.019, p>0.01). This reveals that internet-based advertisements had positive relationship with customer retention. Based on these results, the study concluded that customer retention cannot be fully achieved through traditional. Consequently, the study recommends that hotel managers should make an effort to change from traditional advertisement modes to internet-based advertisement modes in order to increase customer retention and thus increase revenues.*

Keywords: Advertising, Internet-based Advertisements, Customer Retention, Conventional and Budget Hotels

1. Introduction

An advertisement is defined as a paid, non-personal, public communication about goods and services, organizations, people and places, through means such as direct mail, telephone, print, radio, television, and internet (Morgan& Pritchard, 2000).It is an integral subset of business marketing. Their main objective is to change the thinking pattern (or buying behavior) of the targeted clientele, so that he or she is persuaded to take the action desired by the advertiser (Solomon, 2014).Advertising, if done correctly, can escalate product sales, and that means: more revenue and more success for the business establishment. Advertisement is usually done through mediums. An advertising medium is a particular method used by a company to publicize its products or services (Silk, Klein& Berndt, 2001). There are a wide variety of different advertising mediums broadly categorized into three groups; traditional advertisement mediums, internet-based advertisement mediums and directional advertisement mediums. Traditional advertising media include the conventional mediums such as television, radio and newspaper. Other traditional modes of advertisement including posters, banners and the more modern canvasses are hugely popular. On the other hand, Internet-based advertising, also called online marketing or web advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising (Mahadevan, 2000).

Increasingly, Internet-based advertising media are overtaking many of the traditional media such as television, radio and newspaper because of the rapid shift toward consumer's usage of the Internet. As the Internet becomes more mainstream, many companies are budgeting significant dollar amounts for online advertising. For instance, in 2013, Internet advertising revenues in the United States totalled $42.8 billion, a 17% increase over the $36.57 billion in revenues in 2012. Global total Internet advertising revenue is forecast to grow from US$135.42bn in 2014 to US$239.87bn in 2019.

In Kenya, advertisement is also a multi-billion shilling industry (Nevett & Perry, 2000). Noteworthy, most of the adverts in Kenya come through the traditional mediums. Locally, one can encounter advertising messages, while watching TV, reading magazines, listening to the radio, surfing the internet, or even simply while walking down the street. Some empirical studies have been conducted in different corporate organizations in Kenya to assess the different aspects of relationship between traditional advertisements and sales and most have shown that advertisement has a stimulating influence on purchasing behaviour of the customer (Swarbrooke& Horner, 2007; Nyamai, 2014; Ochieng, 2014; Kibona, 2015; Mwagawe, 2014). However, no studies have been conducted to show the extent of adoption of internet-based advertising mediums and their effect on the different aspects of businesses. Thus, this study aims to determine the extent of adoption of Internet based advertising in the conventional and budget hotels in Kenya how it affects the customer retention.

Null Hypothesis: There is no significant relationship between use of Internet-based advertisements and customer retention in conventional and budget hotels

2. Methodology

The research adopted a descriptive research design. The study was conducted in Eldoret town which is the one of the largest city in Uasin Gishu County. This town was chosen for this study because it is one of the fastest growing hub in Kenya with high concentration of new and upcoming hotels.

The target population comprised all the customers and managers of selected conventional and budget hotels in Eldoret town. The information obtained was based on North Rift Tourism Guide (2012). Purposive sampling was used to select the ten hospitality establishments in the study area because they had adequate information to answer the objective of the study. Purposive sampling was further used to select all the 10 managers of the ten sampled hospitality establishments in the study area. Finally, systematic random sampling was used to select 440 customers as respondents for the study.

Both primary and secondary data was collected in the study. Primary data was collected using questionnaires. Secondary data was collected by the use of document analysis. Content validity of the questionnaire was established by consulting the two supervisors and experienced researchers in the school of Education, as well as colleagues in the department. To check on reliability of the questionnaire, Cronbach-Alpha coefficient was used to calculate the reliability coefficient after a pilot test. The reliability coefficient was 0.7 and was accepted as a good measure of reliability.

The data was collected by the researcher with the help of two research assistants. The research assistants were trained by the researcher before going to the field. Data was collected at designated times in hotels during visiting hours or at appropriate times in line with the institutions rules and regulations.

All the quantitative data collected was analysed using descriptive statistics such as means, percentages and frequencies. Inferential statistics mainly chi-square were used to compute the relationship between the study variables.

3. Results and Discussion

Internet-Based Advertisements
The main objective was to determine the relationship between internet-based advertisements and customer retention in conventional and budget hotels. In order to establish the internet-based advertisement used in hotels the respondents (Customers) were asked to give their opinion on the frequency of internet-based advertisement which affects customer retention in hotel. The results shows that face book come at the top as it has the highest mean value of 1.89. It was followed by twitter with a mean of 1.81, U-tube 1.59, websites while MySpace, and blogs with means less than 1.5 (Table 2). The findings indicate that most of the hotels used face book in advertising. It can be concluded that face book is a cheap method of advertisement and also helpful in customer retention by motivating the customers to come to the hotel.

Finding out how the customer's agreed or disagreed on the use of internet based advertisement in the hotel majority 147 (71.6%) disagreed that they used LinkedIn for advertisement, 53 (25.9%) agreed while 5 (2.4%) were undecided. Findings in the table also show that majority 111 (54.2%) disagreed that they used my space for advertisement, 71 (34.6%) agreed while 24 (11.2%) were undecided. On twitter as one of the internet based advertisement used in the hotel most of the customers 99 (48.5%) agreed, 95 (46.3%) disagreed while 11 (5.4%) were undecided that they used twitter in advertisements. Putting together disagreed and strongly disagreed responses on YouTube, 120 (58.6%) disagreed that they used it for advertisement, 77 (37.6%) agreed while 8 (3.9%) were undecided. On facebook 169 (82.5%) agreed that they used facebook for advertisement, 34 (16.6%) disagreed and only 2 (1.0%) of the customers were undecided and finally on blogs as the last internet based advertisement used in the hotels 165 (80.5%) disagreed, 39 (19.0%) agreed while only 1 (0.5%) was undecided as shown (see Table 4.5). These findings therefore show that the majority of the hotels (84.4%) used the face book in their advertisement. This fact may be attributed to the fact that most customers may be in possession of mobile phones which have access to the internet.

From the interview schedule it was pointed out that "Face book pages creates an area that will allow business owners to promote their products or services and be able to interact with their customers". Other managers who responded said that face book was widely used in internet based advertisement others indicated YouTube, instagram, Google+, twitter and linked as the internet based advertisements. The findings indicate that most of the hotels used internet in advertising. It can be concluded that face book is cheap as a method of advertisement and also help to retain the customers thus motivate the customers to come to the hotel as shown in Table 2.

Table 2: Internet-Based Advertisements

	Strongly agreed		Agreed		Undecided		Disagree		Strongly disagree		
	F	%	F	%	F	%	F	%	F	%	Mean
LinkedIn	33	16.1	20	9.8	5	2.4	81	39.5	66	32.1	1.8146
My space	40	19.5	31	15.1	23	11.2	76	37.1	35	17.1	1.2878
Twitter	67	32.9	32	15.6	11	5.4	65	31.7	30	14.6	1.5024
YouTube	33	16.1	44	21.5	8	3.9	34	16.6	86	42.0	1.5854
Face book	92	44.9	77	37.6	2	1.0	23	11.2	11	5.4	1.8878
Blogs	24	11.7	15	7.3	1	0.5	89	43.4	76	37.1	1.1171

Reasons for the Use of Internet-Based Advertisement

The researcher also asked the customers to give the reasons why the hotels used internet-based advertisements in convectional and budget hotel as shown in Table 3. Results show that 55 (26.8%) of the customers said internet-based advertisement are easier to use and reaches many people, 53 (25.9%) said they were very efficient when placed on the right place, 39 (19.0%) were on the opinion that it is very convenient, 31 (15.2%) said is it cheap that is why they used it, 14 (6.8%) said it is vibrant in the current generation not well known, 13 (6.3%) said it is fast. The findings indicate that internet-based advertisement is easier to use and it reaches many people compared to other modes of advertisement. From the interview schedule responses one of the managers said that "Facebook allow hotels to provide videos, photos, and longer descriptions of their product and services and can link back to the product's Twitter page as well as send out event reminders". Most of the managers said that internet based advertisement provides the opportunity to spend more time interacting with the products and services online and others said that the Internet gives people a greater amount of information as we need and it is the best way to get a comparison of the products that they need of the hotels products and services.

Table 3: Reasons for the Use of Internet Based Advertisement

	Frequency	Percent
Very convenient	39	19.0
Vibrant in the current generation	14	6.8
They are easier to use and reaches many people	55	26.8
Very efficient when placed on the right place	53	25.9
It's fast	13	6.3
It's cheap	31	15.2
Total	**205**	**100.0**

Customer Retention

The researcher asked the customers about their willingness to return to the hotel and also what will make them (customer) return to the hotel. The findings shows that 167 (81.5%) of the customers were willing to return to the hotel 38 (18.6%) were not willing to return to the hotel which implies that the mode of advertisement could have great impact on customer retention. Further probe was made to ascertain whether advertisement was solely the factor to determine willingness of the customer retention or other factors also came to play based (see Table 4).

Based on the findings most of the customers 114 (55.6%) positively agreed that good food contributed to their willingness to return to the hotel while 91(4.4%) had a negative response. One hundred and two (49.8%) customers positively agreed that good accommodation contributed to their return to the hotel in the same breath 103(50.2%) disagreed that good accommodation makes them return to the hotel. This indicates that the quality of food provided also have an influence on the willingness of the customers to return although majority of the customers negatively responded that they were not willing to returning to hotels based on accommodation. This could be an indication that majority of the customers were resident of Uasin Gishu County and did not spend night outs in the hotels.

Table 4: Customer Retention

		Frequency	Percent
Willingness to return to hotel			
Yes		167	81.5
No		38	18.5
Returning to the hotels			
Good food	Yes	114	55.6
	No	91	44.4
Good accommodation	Yes	102	49.8
	No	103	50.2

Satisfaction Levels of the Customer's

The researcher also sought to seek the satisfaction levels of the customer's with the Hotel Establishments in Uasin Gishu County (Table 5).

Table 5: Satisfaction Levels of the Customer's

	Frequency	Percent
Satisfied	131	63.9
Very satisfied	37	18.0
Not sure	17	8.3
Not satisfied	17	8.3
No response	3	1.5
Total	**205**	**100.0**

Results shows majority 37(18.0%) of the customers were very satisfied with the type of the advertisement used. On the other hand, 131(63 .9%) were satisfied, 17(8.3%) were not satisfaction while 17 (83%) were not sure. This implies that the customers were satisfied with the types of advertisement that attracted customers may be because the hotels used catchy advertisement messages, proper time of advertisement and frequent advertisement thus making the customer satisfied

Satisfaction with the Hotel Services

Lastly, the researcher wanted to find out how the customers are satisfied with the hotels products and services in convectional and budget hotels, results in Table 5 indicate that 36 (17.6%) customers strongly agreed that they are satisfied with hotels products and services 146 (71.2%) disagreed 19(9.3%) moderately agreed while 4(2.0%) disagreed this implies that majority of the customers 88.8% agreed that they were satisfied with the hotels products and services being advertised infact this satisfaction may have led to the customers to the repurchase the hotels products and services.

Results also show that 22(10.7%) customers strongly agreed to purchase hotel products and services 92(44.9%) agreed 84(41.0%) moderately agreed while 3(1.5%) strongly disagreed. Majority of the customers 96.5% who purchased goods and services shows that they were satisfied with the level of advertisement on their hotels and products leading to their repurchase hence retention. From the results 28(13.7%) customers strongly agreed that they trust the hotel, 42(20.5%) agreed, 120(58.5%) moderately agreed while 15(7.3%) disagreed. From the results 39(19.0%) of the customers strongly agreed that they were committed to the growth of the hotel, 41(20.0%) agreed as 95(46.3%) moderately agreed while 30(14.6%) disagreed. Based on the findings it can be argued that majority of the customers 85.3% were committed to the growth of the hotel which

implies that they may do everything towards the development of the hotel that include being retained as customers.

Customers were asked whether they get value for their money, from the results 12(59%) customers strongly agreed that they get the value for the money, 62 (30.2%) agreed, 98(47.8%) moderately agreed, 24 9(11.7%) disagreed while 3(1.5%) strongly disagreed. Based on the results 32(15.6%) customers strongly agreed that hotels honors their promises made in the advertisement, 37(18.0%) disagreed, 90 (43.9%) moderately agreed while 40 (19.5%) disagreed. The findings show that 77.5% of the customers were in agreement the hotel honor the advertisement promises hence the likelihood of the customers being retained.

Customers were also asked whether they refer the hotels to other people. This was viewed as a way customers retained hotels of their choice by selling the hotel services and products. Based on the findings 62(30.2%) customers strongly agreed that they refer the hotel to others, 116(56.6%) agreed, 24(11.7%) moderately agreed while 3(1.5%) disagreed its evident that majority of the customers 97.5% would readily refer the hotel to others this implies that they are happy with the hotels services and products as such they would like their neighbours, friends and maybe family to relate also with the hotel. Based on the findings 34 (16.6%) customers strongly agreed that they frequently interacted with the staff, 86 (42.0%) agreed, 67(32.7%) moderately agreed, 14 (6.8%) disagreed while 4 (2.0%) strongly disagreed that the customers interacted frequently with staff. It can be argued that majority of the customers 91.3% have frequent interactions with staff which could explain why advertisement used were actually retaining customer.

Hypotheses Testing

The study investigated relationship between study variables using Pearson correlational test. The correlation results showed that Internet-based advertisements had positive relationship with customer retention but not significantly correlated (r=0.788, p=0.019, p>0.01). This reveals that internet-based advertisements had positive relationship with customer retention. This was therefore interpreted to mean that presence of internet-based advertisements influence customer retentionhighly.

The findings are in agreement with Kelly, Kerr& Drennan(2010) who pointed out that personal interaction can instil a feeling of loyalty into followers and potential customers. Also, by choosing whom to follow on these sites, products can reach a very narrow target audience. Social networking sites also include a vast amount of information about what products and services prospective clients might be interested in. Through the use of new Semantic Analysis technologies, marketers can detect buying signals, such as content shared by people and questions posted online. Understanding of buying signals can help sales people target relevant prospects and marketers run micro-targeted campaigns. Also, Park& Fesenmaier (2012) asserted that internet gives people a greater amount of information as we need. It is the best way to get a comparison of the products

needed. In this age of information overload, user chooses to see, read or hear what they want and promptly discard the rest to move on to the next relevant item. This is because a huge amount of self-awareness is created by Internet users actually going out and learning about new products and services. They not only watch the Web, they use it.

4. Conclusion and Recommendations

Conclusion
From the findings, the study concluded that Internet-based advertisements have a relationship with customer retention specifically facebook, twitter and you tube because customer can easily recall advertisements seen. As from the results of the study, internet-based advertisement plays an important role as it is one of the important sources which reaches the customers and informs them about their brand and helps them in building an impression.

Recommendations
1) Hotels should embrace the new-age advertising methods as a result of the advent of the Internet rather than using traditional forms of advertisement.
2) Hotel managers should use both low and high involvement advertising strategies in order to increase potential customers using the internet-based advertisements. Low involvement strategies should be used to increase the general awareness of the organization and to present a positive image of the hotel to the general population. High involvement strategies should be used to provide accurate and detailed information regarding the range of jobs available within military organizations and the various levels of qualifications required.

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