Impact of social media marketing on customer buying behavior in hospitality industry of Gujarat

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Abstract:

The purpose of this research is to ascertain how social media marketing influences customer choice in Gujarat's hospitality industry. This study focuses on social media to learn more about how social media advertising affects customer decisions about hotel purchases. In order to answer these questions, 150 clients who had previously encountered a hotel company's social media marketing campaigns participated in a qualitative research design for this study. An in-depth knowledge of customer purchasing patterns, preferences, and the impact of social media campaigns on client buying behavior will be possible after an examination of the data gathered. The research utilized to evaluate social media marketing's effectiveness in Gujarat's hospitality industry. The results of this study will be useful in directing Gujarati hospitality organizations' use of social media to influence client decisions and boost sales.

Keywords: social media, buying behaviour, hospitality industry, Gujarati.

Introduction:

One important instrument and marketing tactic is social media marketing. The time needed to reach the clients is a key factor in this achievement. Social media marketing has inexpensive costs and needs very little time to reach its target audience. This kind of advertising makes it simple to draw customers and affect their purchasing decisions. (Sharma et al., 2020) Nowadays, businesses embrace social media as a crucial tool for boosting product sales. The purchasing habits of customers are significantly influenced by periodic developments in technology. Social media facilitates product purchases for customers by facilitating stakeholder communication. (Dewnarain et al., 2019) Customers can change their purchasing decision online. Marketers must study customer purchasing patterns because they provide insight into what customer’s desire. Market research on the kind of products that people demand is crucial before presenting a product to the market. (Moro & Rita, 2018) Marketers may utilize this data to tailor their advertising efforts to the tastes of their target audience. Both the launch of new

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items and the success of an organization's current products depend on brand recognition. Every buyer has a unique thinking process and attitude when it comes to purchasing a product. There is a real risk that a corporation won’t be able to predict how a market would respond to its products if they don’t comprehend the customer’s reaction. (Aydin, 2020).

A company's identity is developed via communication with its brands and customers. Customers are more interested and develop lasting loyalty and preferences when they have more influence over particular brands. The power that binds customers, which is intertwined to guide the power of choice and loyalty of customers, is the most crucial factor in branding. (Bilgin, 2018). Companies in the digital age strive to catch customers' attention with special offers and intriguing items so that it sticks in their thoughts and fosters a favorable brand image. As a result, brand loyalty will emerge via the use of communication channels (such as mobile phones, media, and television) that they own and may use to preserve the value of their brands. (Tajvidi & Karami, 2021).

The four main factors that affect customers' behavior are cultural, social, personal, and technological. According to marketing literature, one of the technological factors that affects customers' purchasing decisions is social media and the activities of marketers on social media. In this respect, Naidu & Agrawal's research from 2021 in India indicated that individuals utilize social media for a wide range of objectives. In 2020, Sharma et al. did research with the title "A positive direct correlation between social media marketing and customer buying behavior." They found that there is a link between the two. "The Effect of Social Media Marketing on Customer Purchasing Behavior." (Chu et al., 2020).

Customers are the lifeblood of every company, and social media marketing gives firms the chance to develop sincere and mutually beneficial relationships with those customers. But, firms must better plan, manage, monitor, and update their social media marketing initiatives if they want to see actual commercial gains (Hu & Olivieri, 2021). The intersection of customer relationship management and social media marketing occurs at this moment. Talking to friends, playing games, and spreading rumors take up the bulk of time spent on social media. They are too busy to meet due to the hectic pace of metropolitan life (Bigne et al., 2018).

Customers have a ton of chances to share and distribute brand-related material and product use information globally thanks to social media platforms like Twitter, and YouTube. Customers nowadays so many knowledgeable and eager to research product details online before making any purchases. (Pop et al., 2022) Social media marketing is thus essential in educating individuals, shaping their preferences, and influencing their buying decisions. Given that 61% of survey participants were more inclined to make a purchase after seeing engaging social media campaigns, The long-term effects of social media marketing on customers' buying intentions are significant (Ebrahim, 2020).

The Gujarat hotel industry has had a substantial impact from social media marketing on customer purchasing habits. Businesses now have an unmatched platform to communicate with and inform their target clients about their goods thanks to social media (van Asperen et al., 2018) It has made it possible for Gujarat's hotel sector to connect with a large audience, cultivate connections with prospective clients, and increase sales. Many chances exist now for hotels and restaurants to promote their offerings, build brand recognition, and draw in more customers thanks to social media marketing (Garrido-moreno et al., 2018).

The increased visibility and engagement through social media have allowed the hospitality industry of Gujarat to reach more people and gain more customers. Furthermore,
the availability of customer reviews and ratings on social media has helped customers make informed decisions about where to stay and dine, making them more likely to choose a service from the hospitality industry of Gujarat. Consequently, social media marketing has become an integral part of the hospitality industry of Gujarat’s marketing strategy, and its impact on customer buying behavior cannot be understated (Alalwan, 2018).

Conceptual Framework

The main goal is conceptual framework was to comprehend how social media marketing affects customer purchasing habits in Gujarat's hotel sector. To further comprehend this relationship, the crucial aspects of social media marketing, customer Purchasing, and service quality will be examined and evaluated. A review of related literature, a conceptual framework, a description of the research methods, and an analysis and discussion of the findings will all be included in the study's framework. The use of social media in the hotel industry in Gujarat has a big influence on customer buying choices (Chen & Lin, 2019). This study will examine this impact as well as the link between service quality and customer purchasing decisions. The findings of this research will provide significant new knowledge on how social media marketing affects customer purchase behaviors. Positive correlation between these three factors is anticipated. Particularly, it is predicted that more frequent and successful social media marketing campaigns would favorably affect customer purchasing patterns and service standards. In other words, customers are more inclined to buy goods or services from companies that successfully use social media marketing. Better service quality is also thought to result in happier customers who would then engage in more frequent purchases (Aji et al., 2020).

Social media marketing

Businesses must stay current with the newest trends due to rising client expectations and the always changing market. One of the most significant sectors in Gujarat is the hotel sector. It supports the state's economy and employs a significant portion of the population. Since more and more people travel to the state for business, pleasure, and other reasons, the hotel sector has risen tremendously in recent years. The hotel sector has to use social media marketing to maintain its competitiveness and create a strong brand. Customers searching for everything from a special occasion to a vacation may be targeted via social media marketing. Businesses in the hotel industry may interact with clients by offering promotions, deals, and discounts via social media. Customer service and brand loyalty may both be achieved via social media. Using social media marketing, hotel companies can interact with clients, expand their reach, and create lasting partnerships. (Identification, 2017) The services provided by the hospitality industry, such as the meals served, the activities given, and the lodgings, may be promoted on social media. The hotel sector in Gujarat has had great success with social media marketing. Businesses have been able to raise brand awareness, improve customer happiness, and increase revenue by using social media. Social media may also be utilized to update customers about future events, advertise special deals and discounts, and draw in new clients. For Gujarati hospitality firms looking to expand and develop a loyal customer, social media marketing has thus become a crucial tool. (PUSPANINGRUM, 2020).

Customer buying behavior

Understanding customer purchasing behavior is crucial for success in the cutthroat hotel sector of today. It's critical for company owners in Gujarat state to comprehend customer
purchasing behavior in order to make educated selections regarding their competitive tactics as the hospitality sector expands. Businesses may more effectively target their customers and create marketing plans that can help them grow their market share and profitability by understanding customer purchasing behavior. (Sun & Wang, 2020). The hospitality sector in Gujarat is heavily influenced by customer purchasing patterns since these patterns reveal what customers want when they enter a hotel or restaurant. Businesses may customize the services and goods to match the demands of the customers by understanding customer purchasing behavior. Businesses may better develop their services and products to fit the demands of their visitors by knowing what customers want and expect from the hospitality sector. Also, by properly segmenting their target market and developing targeted marketing strategies, hospitality firms in Gujarat state may increase their chances of success. Businesses may more effectively develop their messaging and target their marketing efforts to the correct audiences by knowing the demands of their customers. Businesses may benefit from this by growing both their market share and profitability.

**Service quality**

As it is the primary determinant in determining client happiness and loyalty, service quality is a crucial component of the hospitality sector. When a client makes a reservation for a hotel, restaurant, or other hospitality service, good service quality assures that they will get the appropriate level of service and will have a great experience. Customer happiness, repeat business, and better revenue for the hotel industry follow from this.

Also, as it contributes to the development of a positive reputation, service quality is crucial for the hotel sector. Businesses may guarantee that clients have a favorable impression of their institution by constantly offering high levels of service quality. This will encourage word-of-mouth recommendations and attract additional clients (Woodside & Bernal Mir, 2019). Also, a solid reputation may result in improved supplier connections and cheaper expenses for the company. Service excellence is crucial for the hospitality sector because it sets firms apart from their rivals. Businesses may separate out from the competition by offering superior service quality. This will provide them an advantage over other businesses and draw in more clients (Bilgin, 2018).

**Literature review**

(Ioachim et al., 2018) In order to identify social media marketing (SMM) components and evaluate their impacts on brand equity, buy intent, and customer relationship management (CRM) for textile enterprises, a random sample study based on a questioner survey was undertaken in Pakistan. (Brier & Lia Dwijayanti, 2020) This research attempted to forecast the associations between customer behavior, customer habits, and social media marketing operations. It also looked at how social media marketing affected how customers used social media sites. (Setegne Dessie et al., 2022) This study identified social media marketing (SMM) elements and evaluated their impacts on customer relationship management (CRM), brand equity, and purchase intention for clothing businesses by completing a random sample study in Pakistan based on a questioner survey.

(Bhatt, 2019) This article focused on the elements that online Indian shoppers consider when shopping online. According to study results, the top five factors impacting consumers' opinions of online buying are knowledge, perceived value, perceived fun, and security/privacy.
(Koufaris, 2022). The study provided a more complete, albeit partial, picture of the online customer and is an important step toward a better understanding of customer behavior on the Internet. (R. Sihare, 2017) In this study piece, author examined how increasing product sales by implementing digital marketing methods can lead to growth, and as part of that discussion, he analyzed the behavior of customers. (Carter, 2021) This qualitative multicase study's objective was to investigate the tactics social media marketing managers employ to engage digital customers in order to boost sales.

**Research gap**

Most research has focused on customer loyalty and purchase intent when examining how social media marketing influences consumer buying behavior in Gujarat's hotel industry. Yet, the hotel industry in Gujarat lacks research that examine how social media marketing influences customer buying behaviors. This research gap can be filled by investigating the various elements that affect customer purchasing behavior in Gujarat's hospitality sector, including the platforms used for social media, the techniques used to target customers, the types of content used to engage them, and the use of analytics to gauge the success of social media campaigns. Also, it's important to comprehend how social media marketing affects customer pleasure, loyalty, and retention in Gujarat's hospitality sector. Moreover, research is required to examine the effects of combining conventional and digital marketing methods on customer purchasing behavior in Gujarat's hotel sector as well as the importance of customer segmentation for the success of social media marketing initiatives. Furthermore, research has to be done to determine the potential and problems related to social media marketing in Gujarat's hotel sector.

**Aim of the study**

This research aims to investigate and evaluate how social media marketing affects customers' purchasing behavior in Gujarat's hotel industry. Through the research, we examined and assessed how social media marketing strategies impact consumer buying behavior. The study's objectives include identifying the social media platforms and marketing tactics that work best in Gujarat, evaluating the impact of social media marketing on consumer purchasing behavior, and providing practical advice and tools for maximizing social media marketing's potential in this industry.

**Objectives**

The following are proposed objectives to examine the aim of this study:

- To look at how consumer buying behavior is impacted by social media networking in the hotel sector.
- To identify the change in service quality due to social media marketing on customer buying behavior.
Hypotheses

The following hypotheses are included in this study:

**H1:** Social media networking has a positive effect on customer purchasing behavior.

**H2:** Social media has a somewhat positive impact on customers' purchasing habits in terms of service quality.

**METHODOLOGY**

This study's primary goal is to examine how social media networking affects consumer purchasing behavior in the hotel sector. In this research, quantitative approaches are used to collect data on online networking, social media, and consumer buying habits. We applied structural equation modeling (SEM) using the AMOS to investigate the effects of social media networking on consumer purchasing behavior.

**Research Design**

This study's research design consists of a series of methods and strategies developed to logically integrate numerous research components in order to appropriately answer the research subject that has been carried out so far. The goal of this chapter is to provide information on the methodologies used in this study. The research design determines how data analysis, data collection, and research are carried out.

**Sampling Technique**

For this study, we have considered 150 respondents and also prepared the appropriate questions for their survey and responses collected from respondents with full questionnaire saved for future research. A self-designed structured questionnaire prepared to gather the data for this study with the help of random sampling method.

**Random Sampling**

A technique for gathering samples from a population known as random sampling ensures that every prospective participant has an equal probability of being chosen. An accurate representation of the whole population may often be obtained by selecting a sample from a random pool. One of the most straightforward methods for gathering information from the whole population is random sampling.

The rule of thumb for random sampling is that if a sample is chosen just once,

\[ P = 1 \left( \frac{N-n}{N-1} \right) \left( \frac{N-2}{N-2} \right) \ldots \left( \frac{N-n}{N-n-1} \right) \]

P is a probability in this instance, whereas n is the sample size and N is the population.

Now, if \(1-(N-n)/n\) is cancelled, \(P = n/N\) will result. Also, it is necessary to provide the possibility of selecting a sample more than once: \(P = 1-(1/(1/N))\) n.
Data Collection

This study's data were gathered using a mix of primary research, questionnaires, and interviews. Interviews and surveys were conducted to collect data on the current information of social media networking on customer buying behavior.

Tools for data collection

In the present study the researcher used tools of data collection:

Interview schedule

Data gathering on the ground was done using the Interview Schedule tool (primary data). Using the structured interview technique, it is the pre-draft questions were asked.

Inclusion Criterion

• Customers who have interacted with restaurants or hotels through social media.
• Customers that have made a purchase after engaging with a restaurant/hotel on a social media platform participated in the research.

Exclusion Criterion

• Customers those are not interested to participate in the study and those who were not available at the place during the period of data collection.

Data Analysis

After gathered the data by using random sampling method, to know the impact of several variables with the help of structural equation modelling. In the below, we briefly discussed about Structural equation modelling (SEM).

Structural Equation Modelling

A structural model that offers a hypothesis about the interactions between many variables serves as the foundation for the multivariate, hypothesis-driven method known as structural equation modeling (SEM). In the case of these variables, functional magnetic resonance imaging (fMRI) is used to quantify blood oxygen level-dependent (BOLD) time series of $y_1...y_n$ different brain areas, and the hypothesized causal links are based on connections between the regions that are physically tenable. Similar to a partial regression coefficient, the so-called route coefficient specifies the strength of each link by describing how the variance of $y_i$ relies on the variance of $y_j$ if all other effects on $y_j$ are kept constant. The letters $y_i \rightarrow y_j$
The equation provides a summary of the conventional SEM statistical model.

\[ yAy + u = 0 \]

where \( y \) is a \( n \times s \) matrix of \( n \) area-specific time series with \( s \) scans each and \( u \) is a \( n \times s \) matrix of zero mean Gaussian error components that are driving the simulated system (the "innovations"; see equation). \( A \) is a matrix of route coefficients of size \( n \times n \) (with zeros for nonexistent links). It is possible to estimate parameters by reducing the difference between the observed and model covariance matrices. By translating equation, \( \xi \) may be calculated for any given combination of parameters.

\[ y = -(I - A)^{-1}u \]

\[ \xi = yy^T \]

\[ = -(I - A)^{-1}uu^T(I - A)^{-1} \]

Remember to act in a manner consistent with the identity matrix. The first line of the equation offers a generative model for how the system's connectional structure leads to system function: The interregional connection matrix function is used to produce the observed time series \( y \) using the Gaussian innovations \( u \).

\[ (I - A)^{-1} \]

**RESULTS**

**Demographic**

<table>
<thead>
<tr>
<th>Demographic variable</th>
<th>Categorization</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-22</td>
<td>37</td>
<td>24.66%</td>
<td></td>
</tr>
<tr>
<td>22-24</td>
<td>43</td>
<td>28.66%</td>
<td></td>
</tr>
<tr>
<td>24-26</td>
<td>70</td>
<td>46.66%</td>
<td></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>75</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>75</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td><strong>Education Qualification</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under Graduate</td>
<td>40</td>
<td>26.66%</td>
<td></td>
</tr>
<tr>
<td>Graduate</td>
<td>52</td>
<td>34.66%</td>
<td></td>
</tr>
<tr>
<td>Post Graduate</td>
<td>58</td>
<td>38.66%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>150</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
Framework

Regression Weights: (Group number 1 - Default model)

<table>
<thead>
<tr>
<th>PATHS</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZCustomer_behavior &lt;--- ZSocial_media</td>
<td>.090</td>
<td>.053</td>
<td>1.682</td>
<td>.042</td>
<td>H1 Supported</td>
</tr>
<tr>
<td>ZCustomer_behavior &lt;--- ZService_quality</td>
<td>.102</td>
<td>.059</td>
<td>1.739</td>
<td>.032</td>
<td></td>
</tr>
</tbody>
</table>

The path analysis results reveal that Social media has not negative and significant relationship with Customer behavior, which supports the hypotheses that were established through the analysis (β=.090, P<.05 i.e. p=0.42). Moreover, Service quality is significantly and positively related to Customer behavior (β=.102, P<.05, i.e. p=0.32).

MODERATION TESTING

Social media is used as an independent variable in the moderation study, customer behavior is the dependent variable, and service quality is the moderator variable. Using SPSS, the findings are derived by constructing interaction terms from standardized variable scores.

<table>
<thead>
<tr>
<th>Paths</th>
<th>Estimate</th>
<th>S.E</th>
<th>CR</th>
<th>P</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZCustomer_behavior &lt;--- SCSQ</td>
<td>.111</td>
<td>.070</td>
<td>1.591</td>
<td>.012</td>
<td>H2 Accepted</td>
</tr>
</tbody>
</table>

We assessed the level of service as moderators. The results demonstrate that social media and service quality interactions have a favorable and substantial impact on customer behavior. (β=.111, P<.05,) The result demonstrates that, in compared to the relationship's predicted nature, there is significant evidence for the moderating impact of service quality in our data.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square value ($\chi^2$)</td>
<td>20.204</td>
</tr>
<tr>
<td>Degrees of freedom (df)</td>
<td>6</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>3.367</td>
</tr>
<tr>
<td>(P) value</td>
<td>0.003</td>
</tr>
<tr>
<td>GFI</td>
<td>0.910</td>
</tr>
<tr>
<td>RFI</td>
<td>0.923</td>
</tr>
<tr>
<td>NFI</td>
<td>0.840</td>
</tr>
<tr>
<td>IFI</td>
<td>0.930</td>
</tr>
<tr>
<td>CFI</td>
<td>0.920</td>
</tr>
<tr>
<td>RMR</td>
<td>0.05</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.06</td>
</tr>
</tbody>
</table>

The structural model’s quality of fit and representation of the sample data were both satisfactory.

\(\chi^2 (28) =20.204, \text{NFI (Normed Fit Index)} =0.840; \text{IFI (Incremental fit index)} = 0.930, \text{GFI (Goodness of Fit)} = 0.910, \text{RFI (Relative Fit Index)} = 0.923 \text{ and CFI (Comparative Fit Index) } =0.920\) which is much larger than the 0.90 criteria as suggested by (Byrne, 1994) and 0.95. Similarly, RMR (Root Mean Square Residuals) =0.05 and RMSEA (Root mean square error of approximation) = 0.06 values are lower the 0.080 critical value. Results indicated a good fit for the model presented including RMSEA of 0.06, RMR of 0.05, GFI of 0.910, and CFI of 0.920.

**Conclusion**

Using the use of structural equation modeling (SEM) and the AMOS, we looked at how social media may affect customer behavior in this study. A moderating role was played by the service quality provided. In the moderation analysis, customer behavior is considered as the dependent variable, social media is treated as the independent variable, and service quality is treated as the moderator variable. The findings of this study proved that social media and customer service standards have a positive and substantial influence on consumer behavior. It has also been shown that service quality may modulate the relationship between social media and consumer behavior. Thus, the outcomes of this research imply that service quality should be given significant weight in the social media process.
REFERENCES


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