Chapter 20

Influence of Social Media Marketing on the Brand Image of Organizations in the Hospitality Industry of Sri Lanka

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ABSTRACT

The research paper aims to identify significant factors affecting towards the Social Media Marketing which can influence and affect the Brand Image of organizations in the hospitality sector. The identified factors include the following; 1. Positivity, 2. Consistency, 3. Differentiation, 4. Personality, and 5. Engagement Opportunities on Social Media. A framework was developed to highlight the relationship of the factors and their direct influence and impact on the Brand Image. A questionnaire is used to obtain primary data, and the data is analysed using a variety of statistical tools to measure and evaluate the strength of the influence and impact of Social Media Marketing on Brand Image of Hospitality Brands. Assessing the influence and impact of Social Media Marketing on their Brand Image can help organizations in the hospitality industry to evaluate the success of their Social Media Marketing Campaigns, while organizations that are currently not engaged in Social Media Marketing can gain a better understanding on how to utilize Social Media platforms to enhance their Brand Image.

1. INTRODUCTION

The research is focused on an industry which is amongst the top five foreign revenue earning industries within Sri Lanka. The Sri Lankan hospitality industry is driven by the Tourism Policy and master plan set out by the Ministry of Economic Development (governing body of Sri Lanka Tourism). The objective of attracting two and a half million (2.5 million) tourists by the year 2016 has made authorities focus on the rapid development of the hospitality sector.
Brands are highly valuable assets for firms. Managers aim to create strong brands with a rich and clear knowledge structure in consumer memory by authoring compelling brand stories (Keller 1993; Srivastava, Shervani, and Fahey 1998). As a brand is intended to identify and differentiate the company’s products from those of the competitors in the minds of the subjects concerned (Ormeno, 2007), it is important for hospitality organizations in Sri Lanka to develop a strong brand image as they not only compete locally, but also in the global market place.

The global hospitality industry has embraced digital platforms to strengthen and drive the brands of organizations and even respective countries as destinations. Within this context, Social Media platforms stand out as one of the key sources that contribute towards building brand image as they are interactive, reliable, and provide real time information to travellers and guests. As cited by Neti, S. (2011), Social Media marketing is the new mantra for several brands.

Numerous companies adopted social media to support internal communication and collaboration or to interact with customers and other stakeholders (Backhouse, 2009; Stieglitz and Krüger, 2011). Within the Sri Lankan context however, Social Media is focused on as a communication medium and promotional tool, with only a few companies’ (within and outside the hospitality industry) using it as a strategic platform to develop and sustain their brands. As cited in “Insights into Social Media on Brand Finance Top 100 Brands in Sri Lanka” by Mark & Comm Limited (MNC) (2012), many social media updates weren’t updated and many lagged creativity, strategy, integration, interaction, and engagement. However, 68% of travellers began researching online before they decided where or how to travel versus 65% in 2012 (Source: The 2013 Traveler by Google). Approximately one-fifth of leisure traveller’s worldwide turn to social media platforms for inspiration within different categories of their travel planning including:

- Hotels (23%)
- Vacation activities (22%)
- Attractions (21%)
- Restaurants (17%)

(Source: eMarketer 2013 and Redshift Research)

With travellers increasingly turning to online mediums when making purchase decisions, with social media being a key component, and with a steady increase in the people (globally) using the internet at a compound annual growth rate (CAGR) of 12% in the period 2008-2012 (Source: Internet Society; Global Internet Report 2014) it is important for organizations in the hospitality industry in Sri Lanka to build and sustain a strong brand presence in the digital space, especially on a variety of social media platforms.

While the impact of Social Media marketing on the Brand Image has been widely studied in a western context as cited by Gensler, Völckner, Liu-Thompkins, and Wiertz (2013) in “Managing Brands in the Social Media Environment”, there exists limited literature on the impact of Social Media Marketing on the Brand Image of Sri Lankan Brands, especially of Hospitality Brands.

Within this context, the research aims to provide an answer to the following question:

*How does Social Media Marketing influence and impact the Brand Image of organizations in the Hospitality Industry in Sri Lanka?*