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The effect of social media marketing on guest satisfaction and retention for hotels – a study of 5-star hotels in Switzerland

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Abstract

This research paper aimed to investigate the correlation between social media marketing, guest satisfaction and guest retention for 5-star hotels in Switzerland. This paper also filled up the gap on the unproven effect and correlation between effective social media marketing and the customer satisfaction level in 5-star hotels in Switzerland. This study used a deductive approach, collecting data through the form of questionnaire, in which 118 valid responses were recorded. With the utilisation of SEM (structural equation modeling), it is concluded that guest satisfaction influences positively on the relation between social media marketing and guest retention and social media marketing has a significant positive impact on the satisfaction of guests in 5-star hotels in Switzerland. The results highlighted the importance of social media marketing in securing the overall success of 5-star hotels in Switzerland. Based on the results, it is recommended that 5-star hotels in Switzerland should prioritise social media and digital marketing, increasing brand awareness online, and encourage more interactions with audiences, ensuring the long-term loyalty and satisfaction of guests.

Chapter 1. Introduction

1.1 Background Information

In recent years, with the rapid growth of digital technology and widespread adoption of social media platforms. One key area that has been affected to a large extent by almost every industry will be the field of marketing, the use of social media platforms to act as the primary tool to reach out and engage the market has become increasingly popular and powerful. In fact, by 2017 approximately one-third of global advertising spending is forecast to be in digital channels (Stephen, 2016). This trend shows absolutely no sign of slowing down.

This phenomenon can also be observed in the hospitality industry. In fact, social media marketing plays a critical role in generating Electronic Word Of Mouth (eWOM) of the hotel. According to Casaló et al (2015), eWOM appears to be particularly important for experience products. These are goods or services the quality of which cannot be judged easily prior to consumption, like hotels. In such situations, the opinion of other consumers who post their experiences in online reviews, provides information from a source that is perceived as more independent and trustworthy than company information (Zhao et al., 2015; Ye et al., 2011). With that being said, it is safe to assume that social media platforms will be continuously playing a significant role in the marketing domain of the hospitality industry.

As social media platforms are appearing more prevalent each day, customer loyalty and perceived value from service experiences have been identified as important factors in enhancing profitable business outcomes (Acheampong and Asamoah, 2013) and have been shown to be associated with customer satisfaction (Rauch et al., 2015). Satisfied customers in

turn have been linked with satisfied employees (Bitner, 1990; Spinelli and Canavos, 2000). In short, with effective and powerful social media marketing tactics, hotels are looking to achieve superior guest satisfaction which will be accompanied with positive eWOM, and that often leads to customer loyalty, the retention of the guests, and eventually with positive return in the long run. Given that dissatisfied clients look for another service provider, identifying the factors that lead clients to obtain a service and their satisfaction is fundamental for the success of businesses. Therefore, satisfaction and loyalty are intimately related, and loyalty is a consequence of satisfaction (Angnes et al., 2015; Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001).

Switzerland, widely known as the home of hospitality, a frontliner for the global luxury hospitality industry and market, the 5-star hotels in Switzerland are also embracing social media marketing as one of their key marketing strategies. It raised critical questions on social media marketing's impact on the guest satisfaction in Switzerland as social media marketing is becoming increasingly prevalent each day.

1.2 Rationale of the study

Stelzner (2012) stated that social media is crucial for businesses as it helps in generating business exposure, increasing traffic, and providing marketplace insights. Though there is a great amount of research done on social media marketing and its relationship with customer satisfaction, the combination of the relationship of social media marketing and customer satisfaction with 5-star hotels in Switzerland is extremely rare.

This indicates the gap in research on the unproven effect and correlation between effective social media marketing and the customer satisfaction level in the 5-star hotels in Switzerland. This topic needs to be researched and discussed, in order to embrace the optimal marketing strategies for 5-star hotels in Switzerland, and optimises the hotels' revenue in the long run as a result. More specifically, the concerns regarding real impact arise because the precise mechanism through which Social Media use transforms into real value creation has not been clarified (Rishika et al., 2013).

This research paper aims to examine the correlation between social media marketing and the customer satisfaction in 5-star hotels in Switzerland, by delving deeper into the social media marketing strategies that are being adopted by the 5-star hotels in Switzerland, and its apparent impact on the guests' experiences, and their satisfaction and retention. This paper looks to contribute valuable insights to the hospitality industry in Switzerland, providing a thorough and deep understanding of the role of social media marketing in shaping the guests' experiences in 5-star hotels in Switzerland.

1.3 Aim and objectives

This research paper aims to investigate the correlation between social media marketing, guest satisfaction and guest retention for hotels: a case of 5-star hotels in Switzerland.

To achieve the aim mentioned above, the three objectives are divided as follows:

- To investigate the quality and quantity of social media marketing in Switzerland by 5-star hotels
- To investigate and analyse guest satisfaction and guest retention for 5-star hotels in Switzerland
- To analyse to what extent social media marketing of hotels affects the guest satisfaction and retention rate

1.4 Summary of Methodology

This research paper used a deductive approach, to investigate the relationship between social media marketing, guest satisfaction and guest retention rate of 5-star hotels in Switzerland. The form of questionnaire was used to gather data and inputs, from individuals who have stayed in a 5-star hotel in Switzerland. The questionnaire was carefully designed and coded via SurveyMonkey, to align with the path diagram proposed in this paper, ensuring that each question directly correlates with specific latent variables.

The study applied Structural Equation Modeling (SEM) with SPSS software to analyse the data collected, combining confirmatory factor analysis and path analysis to validate the hypotheses proposed. Survey instruments were adapted from prior studies and underwent reliability testing (Cronbach's alpha ≥ 0.7) to ensure consistency and accuracy. The sampling method of random sampling minimises bias, and ethical guidelines safeguard participants' anonymity and voluntary involvement.

Chapter 2. Literature review

2.1 Hotel guest satisfaction and loyalty: a theoretical and empirical review

This chapter focused on analysing the literature pertinent to the subject of this research paper and explored the relationship between social media marketing and the guest satisfaction of the hotel guests, which leads to their loyalty and retention. Based on the experiences from different countries, this chapter explored and expounded on the roles and importance of social media marketing and guest satisfaction in the hospitality industry specifically in Switzerland. The conclusion presented the gaps identified in the existing literature and the general research direction for this research.

Guest satisfaction plays an incredibly significant role in any company, to ensure guest loyalty and retention in order to achieve a profitable and sustainable business. Many studies have already been conducted regarding guest satisfaction by researchers. According

to Thomassen (2003, p. 69), the term customer satisfaction was defined as 'the perception of the customer as a result of consciously or unconsciously comparing their experiences with their expectations'.
This can be further supported by another research done by (Karakas, 2014), which stated that the measurement of consumers' expectations and satisfaction has become indispensable for those hotels which intend to keep their long-term market position. Reaching high quality and satisfaction may create a loyal customer base with a lot of positive returns. This also suggests that in the hospitality industry, it is essential to constantly exceed guests' expectations, which generates high guest satisfaction and gives guest loyalty in return as supported by the citation above, exceeding guests' expectations will push the guests to compare their experiences with their expectations. Susskind & Maynard, 2019 also mentioned that companies and organisations in virtually every industry practises customer satisfaction measures for the obvious reason that happy customers are essential for a successful business. This further strengthens the point that customer satisfaction plays an important role for companies to gain customer loyalty and retention to strive for a profitable and sustainable business.
Skogland & Siguaw (2004) concluded that even though customers had been satisfied or very satisfied with their original provider, they still switched to a different provider. However, in the era of rapidly changing businesses, this observation soon was soon to be proven irrelevant to the contemporary context. According to Bowen and Chen (2001), delivering quality service is the key to keep up the guest satisfaction and to achieve guests' loyalty and subsequent repeat business, and this has always been a usual assumption on the part of many theorists and practitioners. The correlation between customer satisfaction and the loyalty of customers is well-established. Analysed by Kirkby et al., (2003), the researcher concluded that customer satisfaction is an extremely important part of guest loyalty, but loyalty can not be achieved solely through customer satisfaction. An enterprise can offer satisfaction without loyalty, but not loyalty without satisfaction. From this, it is not difficult to conclude that guest satisfaction is one of the most decisive factors in ensuring guest loyalty. With that being said, when a customer has been satisfied and experienced beyond their expectations, it is safe to say that they will not switch to a different provider easily and remain loyal to a large extent. In fact, improvement of overall customer satisfaction is what leads to greater loyalty and repeat customers (Rungting, 2004).
Other than the fact that overall customer satisfaction is clearly inseparable from the loyalty and retention of the customer, there is also clearly a link between customer loyalty and the overall success of an enterprise. From a research done by Reichheld and Sasser (1990), when a company retains just 5 percent more of its customers, the company's profit could increase drastically by 25 percent to 125 percent. Reichheld and Sasser also concluded that an enterprise was able to increase their profit while retaining their customers with lowered marketing costs, increased sales and reduced operational costs. Loyal customers were also observed with a rather tiny possibility switch because of the price and they make more purchases than similar non-loyal customers. This came to the conclusion that the loyalty and retention of customers spur an enterprise's profitability to a large extent, and provide a more sustainable and competitive advantage to the business. This can be further explained and supported by a research done by Ganesh, Arnold and Renolds (2000), a returning customer knows the product well in depth, requires much less information as compared to new customers, purchases more services, is willing to pay higher prices for the services, and also willing to offer word-of-mouth recommendations to others. To add on, from the statement that Raman made in 1999, loyal customers serve as a "powerful marketing force" for an enterprise by providing recommendations and positive word-of-mouth, which is also free of charge, making it one of the best advertising activities an enterprise can get.
In the hospitality industry, customer loyalty is exceptionally crucial. From a research conducted by Bowen and Shoemaker (1998), loyal guests of a hotel cost much less to serve with their prior and deep knowledge and information. Loyal and returning guests may even act as "part-time employees" for the hotel at times. According to the research done by the authors, this can be manifested with anecdotes which were witnessed by the guest-facing employees, that loyal guests were observed eagerly recommending and introducing the facilities and restaurants to the other guests in the hotel. Hence, making the loyal guests take up the role of positive public relations agent of the hotel, by providing authentic and trustworthy information for the other guests. This viewpoint can be further supported by the conclusion made by Reichheld and Teal in 1996, that different benefits of a loyal customer can bring include: a continuous and sustainable flow of earnings, less cost on marketing, decrease in operational costs, increase in referral, recommendations and positive word of mouth, increase in price premium and the switching barriers for the loyal customers that they do not fall for the competitor hotels' marketing and promotion strategies easily. With these benefits in mind, customer loyalty is an essential prerequisite for the survival of any hotel organisations in the long term (Reichheld and Teal, 1996; Reinartz and Kumar, 2000; Yi an Jeon, 2003).

2.2 Social Media: a wider understanding of the construct

This chapter focused on analysing the literature pertinent to the subject of this research paper and explored social media as a whole in recent years. Since the aim of this research paper is to investigate the correlation between social media marketing, guest satisfaction and guest retention for hotels: a case of 5-

star hotels in Switzerland, it is crucial to investigate what social media is, and what role it plays nowadays. Various definitions of the term social media have been offered by researchers previously, however, a general consensus of the definition has not been established. Some researchers believe that social media generally refers to the digital technology online, which encourages and emphasises on user-generated contents, and the interactions in between a user and another (Kaplan & Haenlein, 2010; Terry, 2009). Russo, Watkins, Kelly, and Chan (2008) offered a similar definition for social media as "those that facilitate online communication, networking, and/or collaboration". While Kaplan and Haenlein (2010) defined social media as "a group of internet based applications or websites that build on the ideological and technological foundations of Web2.0, allowing the creation, interaction and the sharing of UGC (user-generated content)". The definition of social media has been rather vague, and hardly any official definition that the majority agrees on. For instance, in 2010, Kent defined social media as "any interactive communication channel that allows for two-way interaction and feedback". This definition differs broadly from the other definition mentioned above, with the other definitions mentioning that social media is online and internet based, Kent mentioned that social media could be in any communication channel that allows two-way interaction and feedback. Which means with widely different or opposite definitions, a social media could range from Twitter or Facebook, to e-mails and even letters. This research paper will adopt a definition of social media that describes the intended conceptualization of social media. According to Carr and Hayes (2015), Social media are Internet-based channels that allow users to opportunistically interact and selectively self-present, either in real-time or asynchronously, with both broad and narrow audiences who derive value from user-generated content and the perception of interaction with others.

Questions may arise regarding the importance of social media in a business's point of view. Firstly, social media provided a business with a platform to reach out to more audiences at a time, conveying the intended messages to a much broader audience in a more effective way. This above statement can be evident from the conclusion that Marwick and Boyd made in 2011, that online messages will be increasingly designed for mass audiences, taking advantage of social media's abilities to connect with large, contextually diverse audiences. This view can also be supported by a statement made by Walther and Carr (2010). Saying that social media will be increasingly taking advantage of the masspersonal, persistent nature of its channels, changing the scale of communicative interactions by allowing mass messages that can be received, interacted, and responded to interpersonally. A serious discussion had been made by Mayfield (2011), saying that with that rapid growth of the technology, we have advanced into a world of information, especially with the advent of social media and new media mediums. In a business's point of view, it is crucial to be able to reach out to a larger and broader group of audience, the masspersonal and persistent nature of social media allow business and enterprises to do so in a cost-efficient and effective way.

According to latest research, around 64% of the entire world's population is using the internet today, that is about 5 billion internet users (Kemp, 2022a). Among the 5 billion internet users around the world, about 4.6 billion of them are actively using at least one social network, and that is roughly 59% of the whole world's population (Kemp, 2022b). Based on the above mentioned points, not only does social media platforms help businesses and organisations reach a broader audience and convey their intended message in an effective way, it is also one of the fastest growing and most impactful marketing mediums for businesses and organisations of any industry. Especially in the hospitality industry, the use of social media marketing is one of the most prevalent and effective ways of marketing.

2.3 Social Media marketing in the hospitality industry

With the rapid development of social media platforms mentioned above, using social media for marketing means has become increasingly popular and prevalent. The term "Social media marketing" can be simply defined as the use of social media channels to promote a company and its products (Nadaraja, R., & Yazdanifard, R, 2013). It is easy and fair to conclude that social media is changing the way consumers live their lives to a large extent. It is necessary for marketers to respond and transform their marketing strategies according to the social media platforms (Tuten, 2023). The hospitality industry is ever-changing, marketers of hotels has to keep up with the newest technology or trends, in order to stay competitive among the competitors, as Kandampully and Suhartanto (2000) mentioned, one of the greatest challenges the hotel organisations face today is the ever-growing volume and the rapid pace of competition in the industry. As more reports suggest, 70% of social media users are involved in online shopping (Nielsen, 2011). This indicates that consumers are generally buying social media advertising or marketing. With that being said, the hospitality industry also observes an increasing reliance on social media marketing. Some research regarding the increasing significance of social media tools and marketing channels in the hospitality industry has been done, this drew our attention to the increasing positive impacts social media have in the tourism and hospitality industry (Leung et al., 2013; Zeng and Gerritsen, 2014). Some of the literature includes research that has observed an increase in interest in information communication technologies in recent years in the hospitality industry (Leung et al., 2015). Leung et al. (2015) also concluded that Web-based advertising campaigns became a popular topic in the hospitality scholarship, as well as the use of

eWOM (electronic word of mouth), search engines and social media as promotional tools.
Empirical studies have been conducted regarding the advantages of social media marketing. According to Weinberg (2009), one of the main advantages of social media marketing is its low cost, the financial threshold of this marketing channel, as compared to the other traditional marketing channels, is relatively low. This conclusion can be further supported by the statement made by (Nadaraja, R., & Yazdanifard, R, 2013), saying that traditional marketing campaigns could cost millions of dollars, as compared to social media marketing, in which quite a lot of social media platforms are free for businesses to use. Businesses and organisations with limited budgets could also run successful and effective social media marketing campaigns. Social media marketing also holds the advantage of being able to reach out to businesses' target market in a more accurate and effective manner. For example, social media marketing allows firms to reach out to customers that could not be reached, due to some locational barriers that some of the traditional marketing channels bring along (Nadaraja, R., & Yazdanifard, R., 2013). To add on, social media marketing provides personalised advertisements for every different user according to their preferences. Social media marketing provides marketers with the potential to target audiences and consumers based on their personal interests and what their friends like (Nadaraja, R., & Yazdanifard, R., 2013). Traditional marketing channels do not come with a platform that allows users to share their comments and reviews, and word of mouth could only be exchanged face to face. On the other hand, social networking and social media platforms enable the exchanges of word of mouth to promote products beyond what advertising alone does from the traditional marketing channels (Hill, Provost & Volinsky, 2006).

2.4 Proposed Model and Hypothesis

Based on the literature review, a positive correlation between social media marketing and guest satisfaction, and between guest satisfaction and guest retention has been observed. Therefore, this research paper will be testing the structured correlation between social media marketing and guest satisfaction as well as the correlation between guest satisfaction and guest retention within the structured model, and the potential indirect relationship between social media marketing and guest retention. In this model, guest satisfaction will be the latent moderating variable. The moderating variable will be in the form of a qualitative or quantitative variable, which plays an active role in affecting the strength and/or the direction of the dependent variable and the independent variable (Namazi & Namazi, 2016). The identified items that define the variables are visualised in the model proposed below, as these variables are latent and require other items for their measurement.
Hence, the hypothesised model is presented in the path diagram below (Figure 1).

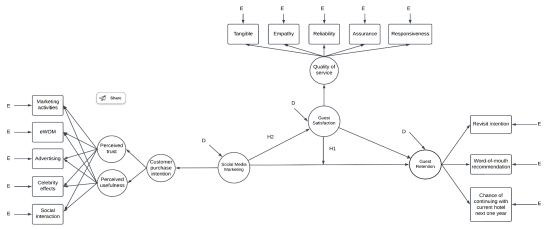


Figure 1: Path diagram of the study (The author, 2024).

Based on the proposed model above, the following hypothesis will be tested.
Hypothesis 1 (H1):
Ho: Guest satisfaction has no influence on the relation between social media marketing and guest retention.
Ha: Guest satisfaction influences positively on the relation between social media marketing and guest retention.
Hypothesis 2 (H2):
Ho: There is no relationship between social media marketing and guest satisfaction.
Ha: There is a significant relationship between social media marketing and guest satisfaction.

Chapter 3. Methodology

3.1 Research design

This research paper adopted the research paradigm of positivism. According to Remenyi et al., (1998:32), positivism refers to the belief that the social world exists externally; real and singular, therefore working with an observable social reality, and the results of such research can be law-like generalisations. Researcher is usually independent of what is researched, using methods of both physical and natural scientists; using objective and distant methods. The most important reason this paper adopted the research paradigm of positivism is the fact that the positivist approach to doing research is largely in a value-free manner. This refers to that researchers' feelings were not involved in any part of the data collection process, they are external in the process, which is in contrast to the 'feeling' researchers, due to the fact that almost nothing could be done to change the substance of the data collected. In general, researchers are independent and are not going to affect or be affected by the subject of the research (Remenyi et al., 1998:33).
Different research philosophies often attach to different research approaches, in which the deductive approach often goes with the positivism research paradigm and the inductive approach goes with the interpretivist research paradigm (Saunders et al., 2007). The deductive approach looks to develop a theory and hypotheses, and the correlational design of this study serves as a research strategy to test the hypothesis (Saunders et al., 2007). It is the most prevalent research approach in the natural sciences, in which laws explain the basis, establishing controls to

test hypotheses and ensuring the independence of researchers (Collis and Hussey, 2003). Due to the fact that this paper aims to collect objective data regarding guests' satisfaction, data would be collected through the form of questionnaires, in order to test the hypothesis. An online questionnaire can collect large samples of data efficiently, with less possible human errors since the questionnaire would be conducted online, also in a shorter time compared to a traditional paper questionnaire (Regmi et al., 2017). According to Collis & Hussey (2009), in structured questionnaires, experimental research, positivism is most commonly administered. This explains why the research paradigm of positivism and the deductive approach was used in this paper.

3.2 Sample and data collection

For the sampling method, this research paper used random sampling. Each unit included in the sample will have a different predetermined probability of involvement in the sample (Singh and Masuku, 2013). Given that the aim of this study is to investigate the relationship between guest satisfaction and social media marketing, our population of the sample will be homogeneous; guests of hotels in Switzerland. Random sampling provides an unbiased estimate of the sampling when our target population is homogeneous, since every single individual involved in the sample stands a chance to be selected for the sampling process (Singh and Masuku, 2013). In order to have better analysis on the result, the gender, educational level, socio-economic status, and the age range of the sample will not be limited. However, the region limitation for the sample will be in Switzerland; with guests who were the audience of any social media marketing advertisement or campaigns of 5-star hotels.

In order to successfully collect data from the sampling population, this paper used the free online survey platform of SurveyMonkey for the data collection. Based on the information found on the official website of SurveyMonkey, it is an free online survey platform that caters to a very broad range of research requests, and is able to reach populations that are typically difficult to reach. The questionnaire will be in three parts. In the first part of the questionnaire, participants' basic information will be collected, including their gender, age, occupation and distribution. In the second part of the questionnaire, the impact of social media marketing on hotels will be investigated. This part of the questionnaire will be in the form of MCQs (multiple choice questions), referencing a similar questionnaire done by Erdoğmuş & Çiçek (2012), which investigated the impact of social media marketing on brand loyalty. The survey used a structured questionnaire, investigating how frequently the participants use social media, how many brands they follow on social media and the reason they follow brands on social media. To modify the survey for this paper, questions will be asked to investigate participants' experience regarding social media marketing about hotels. The survey also included a filter question, ensuring that the participant is a frequent user of social media. Meanwhile differentiating frequent social media users and non-frequent social media users, in order to compare and analyse the results, giving an unbiased and accurate outcome. In the last part of the questionnaire, the satisfaction level of the participants will be investigated in the form of Likert scale, asking the participants if they would consider returning to the hotel for future stays, and if they would recommend the hotel to their friends and family. This questionnaire aims to measure the relationship between each of the variables, and achieve the aims and objectives of the study.

The target population can voluntarily complete the questionnaire, after the collection of the questionnaire data, the data will be analysed with the tool of SPSS.

3.3 Measures

The key variables in the model developed consist of several latent variables which cannot be directly measured, which will then be measured through the use of measuring instruments with indicators that have already been well validated previously. The independent variable of social media marketing is a latent variable which cannot be observed directly and will be measured with other key indicators. To evaluate the usage of social media marketing in a hotel, the following latent variables will be considered, which each of these variables would be associated with individual indicators. To measure the effectiveness of social media marketing, the measuring instruments will first evaluate Customer Purchase Intention based on two latent variables: perceived usefulness and perceived trust. Five indicators will be used to measure these two variables: marketing activities, eWOM, advertising, celebrity effects and social interaction. The measuring instrument used in this study was developed and well validated in previous studies done by Garg and Kumar (2021) with strong internal consistency and appropriate Cronbach Alpha (∂) values. The instrument includes five indicators to measure the latent variables, marketing activities has 4 items (∂ = .856), electronic word-of-mouth has 4 items (∂ = .796), advertisements has 4 items (∂ = .750), Celebrity effect has 3 items (∂ = .706), interaction has 4 items (∂ = .690).

Next, the dependent variable of guest satisfaction being another latent variable that cannot be directly observed, hence, it will be measured by the SERVQUAL model which was proposed by Parasuraman et al. (1988) to measure the quality of service and customer satisfaction. Five key factors (tangible, empathy, reliability, assurance and responsiveness) will be used to measure the guest satisfaction. The last dependent variable, guest retention, is another latent variable which will be measured by the following indicators: Revisit intention, chance of continuing with current hotel for next one year and word-of-mouth recommendation as

identified by Edward and Sahadev (2011) and Li et al (2012).
The measuring instrument used in this study was developed and well validated in previous studies with strong internal consistency as well as Cronbach Alpha (∂) values. The measuring instrument includes five service quality dimensions as independent variable, tangible factor has 5 items (∂ = 0.78), concerning of empathy factor has 3 items (∂ = 0.88) concerning of reliability factor has 3 items (∂ = 0.81) concerning of assurance factor has 3 items (∂ = 0.86), concerning of responsiveness factor has 3 items (∂ = 0.76) and lastly concerning of customer retention factor has 3 items (∂ = 0.89)
When collecting data for each of the indicators of the latent variables, human errors cannot be avoided, accuracy and noises to a certain degree will be observed, hence a capital letter "E" will be arrowing towards the indicators of the latent variable. The letter "D" arrowing towards the latent variables stands for the disturbance of the variables. It refers to the unmeasured variables of the latent variable, factors and indicators that are not measured in the measuring instrument could possibly cause an influence on the results of the measurement.

3.4 Data analysis

3.4.1 Structural Equation Modelling

When the data is collected from the questionnaire, SPSS will be used for the analysis of the data. SPSS stands for Statistical Package for the Social Sciences. SPSS is a powerful, user-friendly software package for the manipulation and statistical analysis of data (Everitt & Landau, 2003).
Descriptive statistics will also be used for preliminary analysis. Descriptive statistics are the numerical and graphical techniques used to organise, present and analyse data (Fisher & Marshall, 2009). In a quantitative analysis, SPSS plays an important role in helping researchers process, analyse and summarise data, by generating precise and accurate statistical data. Therefore, SPSS is a perfect tool to analyse data, helping to explore the relationship between social media marketing and the satisfaction of guests of 5-star hotels.
The data collected will be analysed using a structural equation modelling (SEM) for the inferential statistics. Structural Equation Modelling (SEM) typically includes two statistical methods: confirmatory factor analysis and path analysis. Confirmatory factor analysis plays a role of estimating the latent psychological attributes, such as attitude or satisfaction (Galton 1888; Pearson and Lee 1903; Spearman 1904). Confirmatory factor analysis models refer to models with two or more latent variables with multiple indicators (Knoke, 2005). While path analysis refers to the relationship among variables by creating a path diagram (Wright 1918, 1920, 1921). SEM combines confirmatory factor analysis with path analysis in a defined set of linear equations, which represents the hypothetical relationship between the latent variables and their indicators (Knoke, 2005).
SEM was used as it was mentioned in previous studies that it is an important tool for consumer psychology researchers (Iacobucci, 2010). SEM also fits the role of evaluating more than one latent psychological variable, in this case being guest satisfaction and guest retention. With the use of SEM, the hypothesised correlational relationship between social media marketing, guest satisfaction and guest retention could be built and tested with multiple indicators in a scientific way. Furthermore, SEM helps to test the direct and also indirect effects on relationships, differentiating itself from other modelling approaches (Wright 1918, 1920, 1921).

3.5 Ethical Issues

An online questionnaire may arise some ethical issues, namely informed consent, privacy and confidentiality, and the right to withdraw or omit (Regmi et al., 2017). To resolve these potential ethical issues, participants should be voluntarily filling up the questionnaire, with prior knowledge of the purpose and the usage of the questionnaire. Participants will also be allowed to quit or withdraw from the questionnaire anytime during the survey, if they are not comfortable with doing so, participants have no obligation to complete the questionnaire, they should be notified with these facts. When collecting the data of the participants, the data would be only used for the purpose of this research study, and not to be shared with any third parties or used for any other purposes. The questionnaire should be conducted in an anonymous manner, which means that the data collected will have absolutely no link to the participants' personal data. The disposition of the questionnaire should also be conducted immediately after the completion of the study.

3.6 Limitation

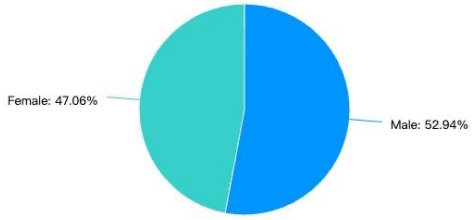
One of the significant limitations of this study was the small sample size of the questionnaire, which recorded 118 valid responses. Such sample size could certainly not represent the larger population, limiting on both the generalisability and reliability of the results.
Another limitation of this study was the sample bias of the respondents of the questionnaire. Since the questionnaire was focused on individuals who had stayed in 5-star hotels in Switzerland, the sample was not likely to be representative of all hotel guests, respondents of the questionnaire are likely to carry certain characteristics that may not fit to the broader population, thus limiting the generalisability of the study.
Furthermore, self-selection bias should also be considered. Respondents who chose to answer the questionnaire might have a much better or positive experience at 5-star hotels in Switzerland, as compared

to individuals who chose not to answer the questionnaire, affecting the accuracy of the result.

Chapter 4. Results

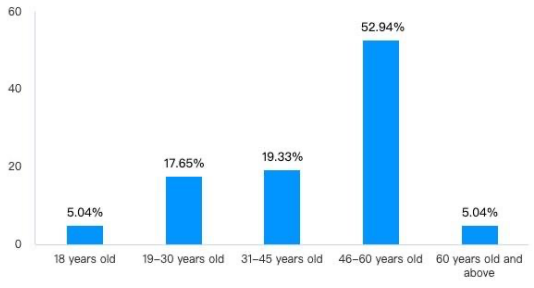
4.1 Demographic characteristics of the respondents

After distributing the questionnaire, a total of 119 valid responses were collected. Once the data were collected, a descriptive analysis was carried out to investigate the demographic characteristics of the respondents. The sample was composed of 63 males and 56 females, of which the male stood for 52.94% and the female stood for 47.06% of the respondents, as observed from the pie chart below. The distribution of males and females are relatively proportional



(Source: the author, 2025)

With reference to the age distribution, most of the respondents belong to the age group of 46-60 years old at 52.94% of the total respondents. Respondents aged between 31-45 years old made up for 19.33% of the total. While the third most common age group is 19-30 years old, which represent 17.65% of the total. While 18 years old and the age group of 60 years and above only made up 5.04% of the respondents respectively. The skewed distribution indicates potential limitations in heterogeneity to the older populations.



(Source: the author, 2025)

Regarding the geographic distribution of the respondents, the majority of the respondents are based in Europe at 39.5%, while the rest of the respondents are relatively evenly distributed among America, Asia Pacific, Africa and the middle east. Overall, the geographical distribution of the respondents were well balanced and spread across the regions, mitigating potential regional bias.

4.2 Hypothesis testing

Questionnaire items were coded numerically on a 5-point Likert scale (Strongly Disagree = 1; Strongly Agree = 5) to gain responses for the SEM analysis of the proposed model. Based on the SERVQUAL framework adopted, the latent variable of guest satisfaction was measured in 5 dimensions as shown in the table below, while social media marketing and guest retention were analysed as distinct variables. On average, the mean score for all dimensions are relatively high, indicating that the guest satisfaction, guest retention, and the social media presence of 5-star hotels in Switzerland are strong. The average standard deviation of the scores is relatively low, indicating the consistency and the high agreement among the respondents, compensating for the limitation of a rather small sample size, by adding reliability and consistency to the result.

Variables		Mean(M)	Standard Deviation (SD)
Tangibles	Q4-Q5	4.05	0.7
Reliability	Q7-Q9	4.07	0.6
Responsiveness	Q10-Q12	3.93	0.7
Assurance	Q13-Q15	4.20	0.5
Empathy	Q16-Q17	4.15	0.6
Social media marketing	Q22-Q24.	4.30	0.5
Guest retention	Q20-Q21	4.00	0.7

(Source: the author, 2025)

SPSS AMOS 26.0 was chosen for the study mainly for the capability to analyse the complex relationships through Structural Equation Modeling (SEM), allowing direct and indirect relationships between latent variables, independent variables and dependent variables. SPSS AMOS was also able to provide accurate and detailed analysis of the proposed pathways to test the hypotheses, with data statistics like model fit indices and standardised path coefficients.

Firstly, the structural model reflected acceptable fit indices, indicating that the SEM model is theoretically plausible. The fit indices were recorded as follows: CFI = 0.891, RMSEA = 0.061, χ^2/df = 2.147 and SRMR = 0.043. It is observed that the CFI (Comparative Fit Index) fell below the 0.900 threshold, showing that it is almost a good fit. This is a common limitation for studies with relatively smaller sample sizes (N=118), nevertheless, other fit indices suggested a good model fit, the hypothesised model matches the observed data well, giving support to the validity of the hypothesised relationships.

The results of H1, the indirect effect of social media marketing on guest retention through guest satisfaction was positive (path coefficient = 0.14; p = 0.012), this confirmed partial mediation effect, supporting H1, that guest satisfaction influences positively on the relation between social media marketing and guest retention.

For H2, the path coefficient from social media marketing (measured by Q22-Q24) to guest satisfaction (measured by 4-Q17) was recorded as $\beta = 0.45$ ($p < 0.001$), indicating a strong and significant positive relationship, which supports H2, confirming that social media marketing has a significant positive impact on the satisfaction of guest, which in turn increases guest retention.

Chapter 5. Discussion

Based on the results, social media marketing of hotels plays a significant role in deciding the overall satisfaction and retention of guests. According to Kirkby et al., (2003), the researcher concluded that customer satisfaction is an extremely important part of guest loyalty. With that being said, customer satisfaction is extremely important for any business or enterprise, ensuring the overall success of the business in the long run. With the distribution of questionnaires, collecting and analysing the data collected, this research paper has achieved the aim of this research, which investigates the quality and quantity of social media marketing in Switzerland by hotels, and the relationship between social media marketing of hotels and the satisfaction and retention rate of guests of hotels.

All in all, the proposed model was proven a good fit with the collected data, both proposed hypotheses were proven, that social media marketing would have a positive effect on guest satisfaction, which in turn would positively influence guest retention. This study's findings provide valuable insights into the validity of these hypotheses and contribute to the understanding of digital marketing's role in the hospitality industry.

Chapter 6. Conclusion

In conclusion, this research paper confirms the significance of social media marketing in securing guest satisfaction and hence guest retention in 5-star hotels in Switzerland, highlighting the importance of prioritising social media marketing, not only to secure revenue in a short term, but to adapt to the trend of digitalisation and focus on building long-term relationships with valued guests.

Hotels should also focus on building their online presence on social media, which enables them to increase brand awareness to the new generation which is taking over the market in no time, while fostering memorable and meaningful interactions online. It is confirmed that by doing so, hotels will be able to obtain higher satisfaction rates and retention rates, which are extremely important for a hotel to succeed.

Future research could explore the long-term effects of social media marketing on guest retention, mainly in the context of different categories of hotels in other parts of the world. Additionally, future research could explore how different types of activities are done online, different platforms of social media, and various different moderating factors that optimise the return on investment of social media marketing.

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