

# Effects of social customer relationship management strategy on relationship quality in five-star hotels in Nairobi, Kenya

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## ABSTRACT

The study specifically determined the effect of Social CRM strategies dimensions on relationship quality in five-star hotels in Nairobi, Kenya. Malthouse Social CRM house model anchored the study. The study utilized a sequential explanatory research design with a target population of 987,883 customers from online hotel check-ins for 5 years, from three five-star rated hotels in Nairobi purposively selected. A sample size of 400 was selected using simple random sampling techniques used to identify final respondents. Data was collected from customers using a structured questionnaire. Quantitative data were analyzed using the Structural Equation Model (SEM). The results indicated a positive and significant effect of the Social CRM strategies dimension on relationship quality. Social CRM strategies can be an effective way for hotels to improve the quality of relationships with their customers and build a stronger brand reputation. It is recommended that hotels in Nairobi, Kenya continue to utilize social CRM strategies to enhance their relationship quality with customers. This can include prominently displaying favorable reviews on social media pages, inviting customer feedback, engaging with them through contests, surveys, and other activities, and utilizing virtual tours and other interactive experiences to build loyalty and engagement.

**Keywords:** Hotels, Relationship quality, Social customer relationship management strategy.

**JEL Classification:** M00; Z30.

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### **Highlights of this paper**

- Results indicated a positive and significant effect of the Social CRM strategies dimension on relationship quality.
- Social CRM strategies improves relationship quality in Hotels.
- Hotel should continue to utilize social CRM strategies to enhance their relationship quality with customers.

## **1. INTRODUCTION**

The marketing paradigm in today's service environment has shifted towards a more relational approach, emphasizing the establishment of a long-term quality formation with ongoing customers. This shift highlights the importance of fostering a beneficial relationship rather than maintaining a static one (Hashim et al., 2011). The extent to which a service organization can achieve future sales growth will heavily rely on the quality of their customer relationships (Hashim et al., 2011). The concept of relationship quality (RQ) enjoys broad acceptance in both theoretical and business contexts (Dlačić, Grbac, & Lazarić, 2018). When creating and cultivating relationships, all parties involved should recognize and appreciate the value and benefits that the relationship brings to them (Danaher, Conroy, & McColl-Kennedy, 2008). Relationship quality arises when hotels, in the process of building relationships with various partners, such as suppliers, hotel guests, tourist agencies, tourist offices, employees, and other stakeholders within their network, recognize the value and importance of these relationships and are willing to invest in them (Dlačić et al., 2018). Subjective experiences like affection, intimacy, and nurturance are indicative of excellent relationship quality, whereas conflict, irritation, and antagonism typify low relationship quality (Farooqi, 2014). In order to establish enduring customer relationships through relationship marketing, marketers need to incorporate marketing activities that effectively attract, cultivate, sustain, and strengthen customer relationships.

Customer Relationship Management (CRM) technologies have contributed enormously to enterprises of the 21<sup>st</sup> century as a guideline for a competitive advantage of differentiation by collecting and recognizing the needs and commercial behaviors of customers that are used to strengthen relationships (Hardjono & San, 2017). The rise and increasing use of Information Technologies (IT) for collecting and storing information about clients has resulted in the evolution of traditional CRM to trends that reflect the use of innovative approaches to relationship marketing and given to rising Social CRM (SCRM) (Kubina & Lendel, 2015; Küpper, 2015). Social CRM integrates all consumer data points, technology, and content distribution touchpoints in one place by providing a full-funnel solution that allows brands to track their engagements with customers at every single step of the purchase journey online and offline (Tan, 2020). By consolidating consumer data across channels, Social CRM lets brands deepen their insights on consumers and work out how to target them with the right messages to drive engagement at the right moments and this leads to the development of a quality relationship. However, Social CRM as a field of study is still in its infancy as many organizations are still treating social media as just a channel of CRM rather than a new paradigm shift to a new scientific phenomenon called Social CRM strategy that is more robust than the traditional CRM (Küpper, 2016; Maertens, 2015).

In addition, despite the positive benefits of social media, hospitality establishments in Kenya have borne the brunt of negative social media posts leading to closure or adverse negative publicity. For example, The Standard Newspaper of 21<sup>st</sup> January 2017 reported that Dr. Leakey and family while taking lunch at La Cascina Restaurant in Karen were advised by a waiter to fetch tap water from the toilet after they asked for drinking water that is not bottled (Ngetich, 2017). Also, during the COVID-19 pandemic on 24<sup>th</sup> April 2020, it was negatively reported that Sarova Hotels donated to doctors at Kenyatta National Hospital "githeri" a delicacy perceived as a poor man's food and therefore not reflective of its star rating (Koech, 2020). These incidences occasioned by social media affect the

relationship quality of hotels as they may change customer perceptions. Consequently, the application of the Social CRM strategy may serve to dilute negative publicity created by social media within a short time of occurrence and consequently enhance relationship quality. Considering that very few studies have linked social media strategy with the relationship quality of hotels, this research aims to bridge the contextual, methodological, and theoretical gaps in the literature on Social CRM strategy and relationship quality particularly in the hospitality sector. Therefore, the main objective of the study was to establish the effects of social customer relationship management strategy on relationship quality in selected hotels in Kenya.

## **2. THEORETICAL REVIEW**

Malthouse, Haenlein, Skiera, Wege, and Zhang (2013) conceptualized social CRM as being composed of two dimensions: a CRM dimension and a social media dimension. The CRM dimension comprises the three essential components of the traditional CRM process: relationship initiation (acquisition), maintenance (retention), and termination. They attempt to identify how the emergence of social media influences each component, without attempting to distinguish between specific types of social media, as the social media applications in the media space are increasingly dynamic. They conceptualized the Social CRM house as having five components; beginning with the roof of the house, the social-CRM strategy, followed by data and information technology as the foundation of the house, and finally the two house's pillars, namely the organization of people and the measuring of outcomes. The study focuses on the roof Social CRM strategy which covers strategy in value fusion that seeks to maximize the CLV (Customer Lifetime Value). It goes ahead and criticizes that CLV in the social media environment is not solely based on profitability but on other aspects such as customer referral value, customer influence effect, and customer influence value. Therefore, relationships between the company and customer can foster interaction that benefits both parties and give the value as mentioned above. The second strategy is the content marketing strategy which seeks to generate engaging content as a new communication strategy rather than the traditional advertisement and positioning statements generated by the company. This research borrowed the social CRM strategies dimension together with its indicators to form the independent variable.

### *2.1. Review of Literature and Hypothesis Development*

Social CRM Strategy involves a collaborative endeavor among an organization's marketing, sales, and customer service divisions to enhance customer engagement and promote brand recognition. It extends beyond data collection and transactional processes, aiming to foster a two-way dialogue that encompasses outbound messaging and inbound queries, ultimately benefiting both the organization and its customers (West, 2018). Businesses utilize Social CRM in the customer engagement process to establish lasting relationships by involving customers in collaborative efforts to co-create value. This involves implementing vital organizational routines and engaging in social networking activities (Diffley & McCole, 2015).

Bhatti, Farhan, Ahmad, and Sharif (2019) investigates the mediating effect of social media usage on the relationship between social CRM capabilities, customer relationship management, and firm performance. The respondents were customer relation officers from the textile industry in Pakistan's Punjab province. Questionnaires were used to collect data, and hypotheses testing was conducted using PLS-SEM. The results indicate that there is a positive correlation between social CRM capabilities and customer engagement, as well as firm performance. Additionally, social media usage plays a positive mediating role in the relationship between social CRM capabilities, customer relationship management, and firm performance.

Diffley, McCole, and Carvajal-Trujillo (2018) aimed to construct and validate a model that explores the essential factors arising from the social customer relationship management (CRM) process. A quantitative approach was adopted to collect data, utilizing both mail and online questionnaires from 120 key informants affiliated with hotels in Ireland. The proposed model underwent testing through partial least squares structural equation modeling. The results revealed that the social CRM activities undertaken by hotels contribute to the improvement of hotel service innovation initiatives. This, in turn, positively influences the development of relationship quality, leading to elevated levels of customer performance.

Alshourah, Jodeh, Swiety, and Ismail (2022) investigated the potential of social media usage in aiding small and medium-sized enterprises (SMEs) in developing new social CRM strategies and optimizing their marketing strategies, consequently enhancing overall performance. The study proposes that social CRM capabilities play a vital role in SMEs' integration of social media into their marketing strategies, leading to improved performance. Data from a survey involving 129 SME managers in Jordan were collected, and regression analysis was conducted. This research contributes to existing studies by validating a unique form of social CRM strategy based on the resource-based view theory framework. Additionally, it asserts that social media usage acts as a moderator, maximizing the significant impact of social CRM strategy on SME performance.

In response to the hype surrounding social CRM technology, firms have increased their investment in it. Kunz et al. (2017), however, many of these firms lack the knowledge and understanding of how to effectively utilize this technology (Küpper, Jung, Lehmkuhl, Walther, & Wieneke, 2014; Marolt, Pucihar, & Zimmermann, 2015); 11 percent of organizations have a formal social CRM strategy and know less about whether they make full use of the technology.

### **3. METHODOLOGY**

This research utilized mixed methods to understand the phenomenon better; therefore, pragmatism philosophy is chosen. The current study uses a deductive approach so that the primary constructs of the study can be verified based on inductively developed constructs. The research used a sequential explanatory research design where the study was divided into two stages of data collection.

#### **3.1. Sampling**

The study targeted 987,883 customers of five-star and four-star hotels in Nairobi based on Facebook check-in data and four Guest Relations Managers from each hotel. The study targeted one four-star and two five-star rated hotels in Nairobi Kenya according to rating by Tourism Regulatory Authority, Kenya (Tourism Regulatory Authority, 2018). The sample size of the study was 400 derived from Israel (1992) sample size table for the target population of over 100,000 at a confidence level of .05. A proportionate sample was used where hotels received the number of questionnaires according to their bed capacity to fill in. The directory was fed to an Micro Soft (MS) Excel sheet to generate random numbers and then simple random sampling was used to identify the individual online customers that were sent a link for the e-questionnaire to fill in and submit or given physical questionnaires for current guests. Questionnaires were used in the collection of responses from the customers. It was structured using questions on a five-point Likert-scale format. The questionnaire will be administered electronically with the aid of the e-questionnaire from google forms.

### *3.1.1. Measurement of Variables*

Social CRM strategies were adapted from Malthouse et al. (2013); Trainor (2012) and Wittkuhn, Lehmkuhl, Küpper, and Jung (2015). Measures of relationship quality were adapted and modified from the works of Tonder, Petzer, and Zyl (2017) and Walter, Mueller, and Helfert (2000) to fit the hospitality industry. The authors conceptualized relationship quality to trust, commitment, and customer satisfaction which were used in the study.

### *3.2. Data Analysis*

Data were gathered, cleaned, coded, and analyzed using the Statistical Package for Social Sciences (SPSS) version 21 and Analysis of Moment Structures (AOMS, 21) software. Both descriptive and inferential statistics were employed in the analysis. Descriptive statistics were utilized to summarize and describe the data, presenting measures such as mean, standard deviation, and variance to provide a comprehensive understanding of the distribution of scores or measurements. In addition, inferential statistics, specifically Structural Equation Modeling (SEM), were used to examine the relationships between exogenous and endogenous variables.

To assess model fit, several goodness of fit indices were employed, including the Goodness of Fit Index (GFI), Normed Fit Index (NFI), Comparative Fit Index (CFI), Root Mean Square Error of approximation (RMSEA), and Parsimony index values. A value of  $\geq 0.90$  for GFI, NFI, and CFI,  $\leq 0.50$  for RMSEA, and a higher value for P-Close were considered indicative of a good fit. The Chi-Square test ( $\chi^2$ ) was also used to evaluate model fit, with a  $\chi^2 / \text{degree of freedom ratio of } \leq 2$  indicating a satisfactory fit.

## **4. FINDINGS AND DISCUSSION**

The relationship quality between a customer and a business is important because it can affect how likely the customer is to continue doing business with the company, how much they are willing to spend, and how likely they are to recommend the company to others. Therefore, a study on the effects of social customer relationship management dimensions and customer perceptions on relationship quality in selected hotels in Kenya can help to identify what factors are most important to customers in maintaining a good relationship with a company, and how businesses can improve their Social Customer Relationship Management practices to better meet customer expectations. The findings on relationship quality are illustrated in Table 1.

Based on the findings in the table, the customers confirmed that they are always delighted with the hotel's services (mean = 4.08, Standard Deviation (SD) = 0.77). Besides that, they believe that their choice to use the hotel was a wise one (mean = 4.26, SD = 0.74). They are satisfied with the service provided (mean = 4.26, SD = 0.78) and feel good about using the hotel (mean = 4.28, SD = 0.81). Also, they confirmed that they did the right thing when they decided to use the hotel (mean = 4.32, SD = 0.79) and feel that their experience with the hotel has been enjoyable (mean = 4.28, SD = 0.77). Moreover, the customer's relationship with the hotel is very important to them (mean = 4.29, SD = 0.76). Besides, they are rare in their relationship with the hotel (mean = 4.22, SD = 0.78). Thus, the customers believe that they can be trusted (mean = 4.23, SD = 0.77), counted on to do what is right (mean = 4.35, SD = 0.77), and that the hotel keeps its promises (mean = 4.09, SD = 0.78). In a nutshell, the customers confirmed that they are always delighted with the hotel's services. They are convinced that the hotel always provides excellent service, and they are satisfied with their decision to use the hotel. They feel good about their experience with the hotel and have developed a strong relationship with the hotel. They trust the hotel to always act in their best interest and feel that the hotel is reliable.

The above is echoed by an interview from Guest Relations Managers (GRM) 3 who stated "... the hotel receives many positive reviews on its social media account with most customers explaining their memorable stay and exceptional service

*they received...". GRM 9 stated, "... the reviews affirm our focus on unforgettable memories we make for all our customers..."*

Regarding trust, the customers confirmed that the hotel has high integrity (mean = 4.19, SD = 0.70) and that it is trustworthy (mean = 4.25, SD = 0.76). Notably, the customers confirmed that the hotel has high integrity and that it is trustworthy. This means that the customers trust the hotel to be honest and to follow through on its promises. The hotel's reputation for integrity and trustworthiness is likely to result in repeat business and positive word-of-mouth reviews.

Further findings indicated that the customer's relationship with the hotel is something that they are very committed to (mean = 4.20, SD = 0.79). Also, the customers believe that there is a committed relationship between them and the hotel (4.20, SD = 0.79). Besides, they have a strong sense of loyalty to the hotel (mean = 4.23, SD = 0.79) and are prepared to make short-term sacrifices to maintain this relationship (mean = 4.25, SD = 0.75). Other than that, the customers believe that both they and the hotel view their relationship as a long-term partnership (mean = 4.15, SD = 0.76). Overall, the customer's relationship with the hotel is extremely important to them and they are willing to go above and beyond to maintain it.

An interview from GRM 8 stated that *"we have enjoyed continued patronage to our health centers especially our spa and gym which have the majority of customers paying membership for an entire year. This shows commitment and belief in choosing us to walk with them in their fitness journey"* GRM 2 said *"... we have some of our 'old customers' who always want to sample what is new, and are very frank in their feedback. This keeps us on our toes to keep on innovating."* This shows a great deal of loyalty on their part and shows that they view the hotel as a long-term partner. This is extremely beneficial to the hotel as it means they can rely on the customer for continued business.

Additionally, the customers would share their satisfaction with the hotel with their friends and family (mean = 4.23, SD = 0.77). Also, the customers highly recommend others to make use of the services provided at the hotel (mean = 4.20, SD = 0.75). Moreover, the customers would continue to bring their business to this hotel even if they had to pay more for a service or product (mean = 4.23, SD = 0.80). Besides, they would pay a higher price than competitors charge for the benefits they currently receive from this hotel (mean = 4.06, SD = 0.80). In addition, they would defend the hotel to critics (mean = 4.18, SD = 0.76), recommend the hotel's services to a friend (mean = 4.14, SD = 0.74) and would use social media platforms to express how satisfied they are with the hotel (mean = 4.27, SD = 0.80). The implication is that the hotel has a lot of satisfied customers who are likely to continue using their services and referring them to friends and family. They are also willing to pay more for the benefits they receive from the hotel, which shows how satisfied they are with the current service. Overall, the hotel has a lot of happy customers who are willing to support and recommend the hotel to others. This is a good sign for the hotel and its business. Response from GRM 1 stated *"... we sometimes are astonished by the total of tips in the collection tip box our staff gets at the end of the month, would a dissatisfied customer tip? So, tips form our unofficial metric of performance. Especially food"* GRM 5 *guest feedback from our suggestion boxes, emails, and social media indicates happy customers. We must be doing something right."*

The study deemed it important to establish Social CRM Strategies as highlighted in [Table 2](#) Based on the results, the hotels recognize the most important social media users by rank system (mean = 4.03, SD = 0.80) and prominently display favorable reviews on their social media pages (mean = 4.17, SD = 0.81). Also, the hotels engage their social media customers on ideas for improvements of their products such as renovation ideas (mean = 4.14, SD = 0.77), and mobilizes their customer for worthy causes such as tree planting, charity, and community service through social media (mean = 4.23, SD = 0.71). As well, the hotel engages social media customers on input to new products being introduced (mean = 4.21, SD = 0.74) and features stories about their staff in their natural setup of

service provision on their social media/website (mean = 4.15, SD = 0.77). Other than that, the hotel staff posts pictures and videos of their working station (mean = 4.13, SD = 0.79). *“We encourage our staff no matter which station they work in to record themselves and our products and share them in their social media, and not to forget to tag the hotel in their posts. This helps give a personal touch to our offerings”* comment by GRM 3. *“We have realized that we have some customers who prefer the Kenyan experience by eating, drinking, and socializing at our staff cafeterias. Our Kenyan dishes that our staff take have proved to be an allure to some customers who want different. We have had to rethink the staff cafeteria and see how that can be packaged as a unique experience. This is currently only accessible to our most loyal customers with these “tastes”.*”

**Table 1. Relationship quality.**

<b>N=337</b>	<b>Mean</b>	<b>Std. dev.</b>	<b>Skewness</b>	<b>Kurtosis</b>
I am always delighted with the hotel’s service	4.08	0.77	-1.46	4.26
My choice to use this hotel was a wise one	4.26	0.74	-1.28	2.80
Overall, I am satisfied with the service provided	4.26	0.78	-1.52	3.91
I feel good about using this hotel	4.28	0.81	-1.34	2.30
I did the right thing when I decided to use this hotel	4.32	0.79	-1.52	3.42
I feel that my experience with this hotel has been enjoyable	4.28	0.77	-1.35	2.84
My relationship with this hotel is very important to me	4.29	0.76	-1.47	3.68
My relationship with this hotel is something I care about	4.22	0.78	-1.32	2.96
This hotel can be trusted	4.23	0.77	-1.16	1.99
This hotel can be counted on to do what is right	4.35	0.77	-1.40	2.54
This hotel keeps its promises	4.09	0.78	-1.62	4.68
RQ2	4.24	0.61	-2.38	7.50
This hotel has high integrity	4.19	0.70	-1.12	2.77
This hotel is trustworthy	4.25	0.76	-1.47	3.76
My relationship with this hotel is something that I am very committed to	4.20	0.79	-1.50	3.87
I believe the hotel and I are both committed to the relationship	4.20	0.80	-1.49	3.67
I have a strong sense of loyalty to this hotel	4.23	0.79	-1.32	2.83
This hotel is prepared to make short-term sacrifices to maintain our relationship	4.25	0.75	-1.33	3.20
I believe the hotel and I view our relationship as a long-term partnership	4.15	0.76	-1.41	3.67
I will share my satisfaction with this hotel with friends and family	4.23	0.77	-1.26	2.45
I highly recommend others to make use of the services provided at this hotel	4.20	0.75	-1.18	2.63
I will continue to bring my business to this hotel even if I had to pay more for a service or product.	4.23	0.80	-1.40	3.10
I will pay a higher price than competitors charge for the benefits I currently receive from this hotel	4.06	0.80	-1.43	3.50
I will defend this hotel to critics	4.18	0.76	-1.34	3.15
I will recommend this hotel’s services to a friend	4.14	0.74	-1.45	4.27
I will use social media platforms to express how satisfied I am with this hotel	4.27	0.80	-1.48	3.36
RQ1	4.19	0.61	-2.62	8.59
RQ	4.22	0.58	-2.62	8.55

From the foregoing, the hotels want to make sure that their most important social media users are given preferential treatment. This may mean that they are given special discounts or access to certain areas of the hotel that other guests are not. Also, the hotels are interested in getting feedback from their customers on how they can improve their products. GRM 7 observed *“During our renovations, we sought ideas and feedback on where and how to improve. We were amazed by what we got from our customers which some we incorporated.”* This shows that they are willing to listen to their customers and make changes based on their suggestions. Moreover, the hotels are

interested in promoting their staff through social media. This means that they are proud of their employees and want to show them off to the world.

Further findings indicated that the hotels post virtual videos of their premise and their services (mean = 4.07, SD = 0.73). By posting virtual videos of their premise and services, the hotels can give potential customers a taste of what they can expect should they choose to stay there. Besides that, the hotels have a channel where they post tips for example cooking recipes (mean = 4.13, SD = 0.82).

Notably, by posting tips and recipes on their channels, the hotels can establish themselves as experts in the hospitality industry – something that would no doubt appeal to many customers. Also, the hotels reward active participants with points such as platinum and gold badges (mean = 4.19, SD = 0.83). Thus, by offering rewards to active participants and posting discounts on their products, the hotels can create a sense of loyalty amongst their customer base, which is essential for any business. In addition, the hotel posts special events such as cultural shows for children (mean = 3.99, SD = 0.90) and uses relevant trending hashtags to generate content related to hospitality products (mean = 4.10, SD = 0.90). Finally, the hotels post discounts on their products on social media accounts (mean = 4.22, SD = 0.81). In this way, the hotels are trying to show their customers that they are willing to give them a good deal.

**Table 2. Social CRM strategies.**

<b>N=337</b>	<b>Mean</b>	<b>Std. dev</b>	<b>Skewness</b>	<b>Kurtosis</b>
The hotel recognizes its most important social media users by a rank system	4.03	0.80	-1.52	3.90
The hotel prominently displays favorable reviews on its social pages.	4.17	0.81	-1.03	1.35
The hotel engages its social media customers with Ideas for improvements of their products i.e., Renovation ideas	4.14	0.77	-0.91	1.14
The hotel mobilizes its customer for worthy causes through social media (e.g., Community service, tree planting, charity, etc.)	4.23	0.71	-1.01	1.74
The hotel engages social media customers on input to new products being introduced.	4.21	0.74	-0.97	1.48
The hotel features stories about its staff in their natural setup of service provision on its social media/website.	4.15	0.77	-1.30	3.14
The hotel staff posts pictures and videos of their working station.	4.13	0.79	-0.95	1.30
SCRM1	4.16	0.60	-1.56	3.24
The hotel posts virtual videos of the hotel and its services	4.07	0.73	-0.97	2.08
The hotel has a channel where they post tips for example cooking recipes	4.13	0.82	-1.10	1.53
The hotel reward active participants with points (e.g., platinum, and gold badges)	4.19	0.83	-1.13	1.60
The hotel posts Special events (e.g., cultural shows, for children)	3.99	0.90	-1.32	2.25
The hotel uses relevant trending hashtags to generate content related to hospitality products.	4.10	0.90	-1.23	1.75
The hotel posts discounts on its products on social media accounts.	4.22	0.81	-1.10	1.21
SCRM2	4.12	0.62	-1.63	3.21
SCRM	4.13	0.57	-1.62	3.26

**4.1. Reliability, Convergent Validity, Discriminant Validity**

Analysis of the measurement model includes the assessment of convergent validity, discriminant validity, and reliability (Kock, 2017). Table 3 showed the results of reliability (Cronbach alpha values) of latent variables derived from factor analysis, the two latent variables of relationship quality (RQ1 and RQ2), and two latent variables of



Social CRM strategies (SCRM1, SCRM2) had Cronbach coefficients of .887 and 0.843 respectively. All the latent variables depicted coefficients of Cronbach’s Alpha greater than 0.7 (Hair, Black, Babin, & Anderson, 2010), thus, the study latent were reliable for model measurement development. Further, composite reliability which is more concerned with individual reliability referring to different outer loadings of the indicator variables (Hair, Hult, Ringle, & Sarstedt, 2017) indicated that relationship quality (RQ1, RQ2) and Social CRM strategies (SCRM1, SCRM2) had composite reliability coefficients of 0.749 and 0.731 respectively. According to Henseler and Sarstedt (2013), the cut-off for composite reliability is the same as any measure of reliability, and a score between 0.6 and 0.7 is a good indicator of construct reliability. Results in Table 2 AVE coefficient for relationship quality (RQ1, RQ2) and Social CRM strategies (SCRM1, SCRM2) was 0.599 and 0.577 respectively. All the Average variance extracted (AVE) coefficients were above 0.5 which according to Janadari, Sri Ramalu, Wei, and Abdullah (2016) AVE value equal to or higher than 0.50 indicates that on average, the construct explained more than half of the variance of its indicators. This is supported by the cumulative variance of 89.810% and 86.459% for relationship quality and Social CRM strategies; this shows all latent variables for all the constructs explained more than 50% variance in each construct. This means that indicators have high consistency in measuring latent constructs. From the analysis above, namely the analysis of the overall suitability of the model, and the validity and reliability analysis, it concludes that the proposed measurement model is reflective, i.e., observed variables/indicators are a measure of the related latent variables.

**Table 3. Reliability, convergent validity, discriminant validity.**

		Loadings	Cumulative variance	Reliability (Cronbach alpha)	CR	AVE
Relationship quality	RQ1	0.948	89.810	0.887	0.749	0.599
	RQ2	0.948				
Social CRM strategies	SCRM1	0.930	86.459	0.843	0.731	0.577
	SCRM2	0.930				

*4.2. Assessment of the Measurement Model*

To Confirmatory Factor Analysis (CFA) was conducted using Analysis of Moment Structures (AOMS) version 22.0 to evaluate the measures employed in the proposed model. The objective of CFA was to validate the relationships among the questions within each measure and confirm the proposed relationships within our model. The standardized regression weights (factor loadings) for the unobserved variables (relationship quality and Social CRM strategies) and their corresponding latent variables (observed variables) (i.e., RQ1, RQ2, SCRM1, and SCRM2) were depicted in the path diagram shown in Figure 1. Additionally, the squared multiple correlation coefficients (R<sup>2</sup>) were displayed, indicating the proportion of variance accounted for by the common factors in the relationship quality and social SCRM strategy variables.

In Figure 1, the model demonstrated a Chi-Square /degrees of freedom ratio of 1.4, which is close to the ideal value of 1 for accurate models (Iacobucci, 2010). he results further indicated a CFI value of 0.998 and a GFI value of 0.934, both of which were close to 1, signifying a strong fit between the model and the data (Shadfar & Malekmohammadi, 2013).

The Incremental Fit Index (IFI) exceeded the recommended threshold of 0.9, with a value of 0.998. Additionally, Tucker-Lewis index (TLI) displayed a value of 0.988, which is close to 1, indicating a favorable fit between the model and the data (Schumacker & Lomax, 2004). RMSEA value was 0.026, signifying that all variables measuring latent constructs in this model demonstrated convergent validity and discriminant validity. Consequently, these variables were deemed suitable for developing the SEM as depicted in Figure 1. These results

are considered satisfactory, affirming the adequacy of the CFA, thus allowing for the continuation of the analysis. In the CFA, the relationships were constructed with the expectation of relatively high loadings between the constructs. Ideally, loadings should be above 0.5 for optimal results..

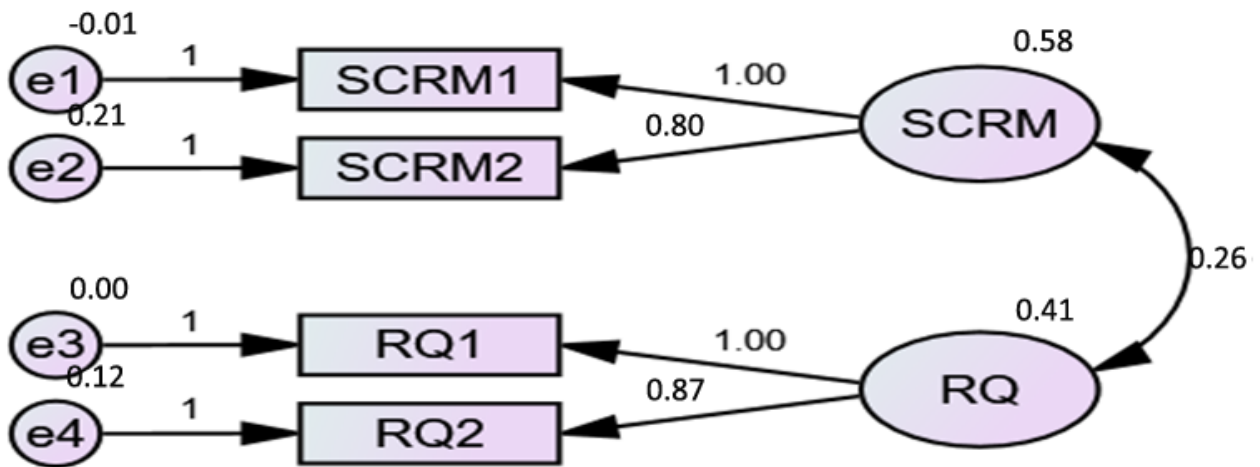


Figure 1. CFA measurement model.

Note:  $\chi^2(df) = 2.830 (2)$ ,  $p=0.000$ ,  $CMIN/df = 1.415$ ,  $IFI=0.998$ ,  $TLI=0.988$ ,  $CFI=0.998$ ,  $GFI=.934$ ,  $NFI= 0.997$ ,  $RFI=0.981$ ,  $GFI= 0.958$ ,  $RMSEA=0.026$ .

#### 4.3. SEM Models

The effect of a social customer relationship management strategy on the relationship quality was tested by the method of SEM with the support of AOMS version 26 software (Byrne, 1998). Figure 2 describes the SEM results of the direct effects of the Social CRM strategy on relationship quality. The parameters on the arrows are standardized regression weights ( $\beta$ ) and p-value. Based on model fit indices (Chi-square minimum/df = 1.594,  $IFI=.991$ ,  $TLI=0.988$ ,  $IFI=0.991$ ,  $GFI=0.960$ ,  $NFI= 0.976$ ,  $RFI=0.969$ , Parsimony Normed Fixed Index (PNFI)= 0.739,  $RMSEA=0.042$ ) the model fit to show the effect of social CRM strategies on relationship quality. Results showed that  $R^2$  for the relationship quality explained by the social customer relationship management dimensions (data and information, processes dimension, and social CRM strategies) is .39, indicating that the social customer relationship management dimensions explain a large amount of variance in relationship quality.

Results in Figure 2 and Table 4 revealed that there was a positive significant effect of Social CRM strategies and relationship quality in hotels ( $\beta=.550$  and  $p\text{-value} < .05$ ). The null hypothesis ( $H_1$ ) was rejected. The findings tally with Bhatti et al. (2019) that social CRM strategy has positive nexus with customer relationship management. This finding also conforms to Diffley et al. (2018) demonstration that social CRM strategies of hotels significantly enhance relationships with customers. Similarly, Alshourah et al. (2022) indicated that social CRM strategy plays a major role in improving customer relationship management. The findings are supported by managers who indicated that “We use our social media platforms, especially Twitter in engaging our customers in products or service improvement which improves our relationship with our customers” (manager 9) “Through our social media platforms, we mobilize our customers and staff for tree planting and other social responsibilities” (manager 10). “We use social platforms in featuring hotel stories through videos about our staff, services, Special events, etc.” (Manager 12).

The findings indicated that the hotels recognize the most important social media users by the rank system and prominently display favorable reviews on their social media pages. They also engage their customers on ideas for improvements of their products such as renovation ideas, mobilizing them to contribute to worthy causes such as tree planting, charity, and community service through social media. The hotels invite their customers' feedback on new products, feature stories about their staff and their service provision on social media, and post pictures and

videos of their working stations. The hotels strive to create an interactive experience for their customers by utilizing social media and encouraging engagement and loyalty through contests, surveys, and other engaging activities.

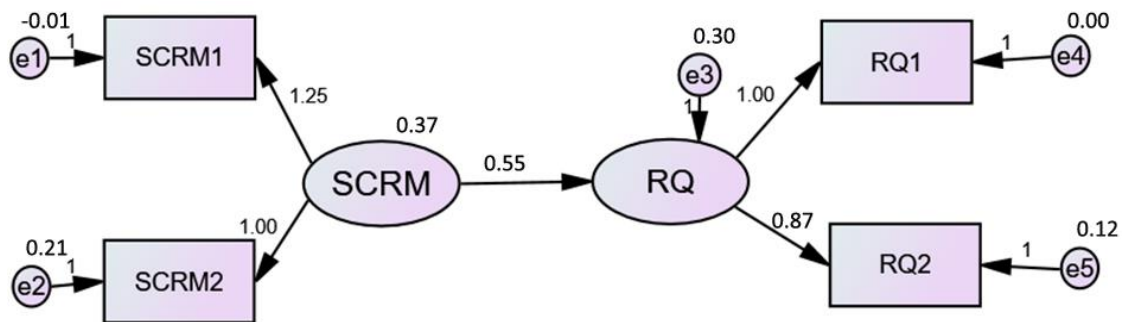


Figure 2. SEM model for effect of social CRM on relationship quality.

Note:  $\chi^2(df) 93.973 (59)$ ,  $p=0.000$ ,  $CMIN/df = 1.594$ ,  $IFI=0.991$ ,  $TLI=0.988$ ,  $CFI=0.991$ ,  $GFI=0.960$ ,  $NFI= 0.976$ ,  $RFI=0.969$ ,  $PNFI= 0.739$ ,  $RMSEA=0.042$ .

Table 4. SEM summary results for effect of social CRM on relationship quality.

	Estimate	S.E.	C.R.	P
RQ <--- SCRM	0.550	0.054	10.270	***

Note: \*\*\*P<0.001.

Further findings indicated that the hotels post virtual videos of their premise and their services, as well as provide helpful tips such as cooking recipes. They also reward active participants with points such as platinum and gold badges. To engage customers, the hotels post special events such as cultural shows for children, using relevant trending hashtags to generate content related to hospitality products. Additionally, the hotels frequently post discounts on their products across all their social media accounts, making it easy for followers to take advantage of these deals.

### 5. CONCLUSIONS

Social CRM strategies can have a positive and significant impact on the quality of relationships between hotels and their customers. This suggests that the use of social CRM strategies can have a positive and significant impact on the quality of relationships between hotels and their customers. By recognizing the most important social media users through a rank system and engaging with them on social media platforms, hotels can build stronger relationships with their customers. Displaying favorable reviews prominently on social media pages, engaging customers on ideas for product improvements, and mobilizing them for community service and charity activities can also help hotels create a more engaged and loyal customer base. Other strategies such as featuring staff stories and posting pictures and videos of the hotel's services can enhance customers' emotional connection with the hotel. Rewarding active participants with points and posting special events and discounts on social media accounts can also encourage customers to stay engaged with the hotel. Thus, social CRM strategies can be an effective way for hotels to improve the quality of relationships with their customers and build a stronger brand reputation.

### 6. RECOMMENDATIONS AND IMPLICATIONS

Regarding Social CRM strategies, it is recommended that hotels in Nairobi, Kenya continue to utilize Social CRM strategies to enhance their relationship quality with customers. This can include prominently displaying favorable reviews on social media pages, inviting customer feedback, and engaging with them through contests, surveys, and other activities, and utilizing virtual tours and other interactive experiences to build loyalty and

engagement. Additionally, it is recommended that hotels recognize the importance of rewarding active participants with badges and other rewards, as this can further enhance the relationship quality. By implementing various social media tactics such as recognizing important social media users, showcasing positive reviews, engaging customers on ideas for improvement, and mobilizing them for worthy causes, hotels can strengthen their connections with customers and enhance their reputation. Additionally, featuring stories about staff and virtual tours of hotel facilities can provide customers with a more personalized experience and improve their overall satisfaction. Offering rewards and incentives for active participation on social media platforms can also foster greater engagement and loyalty among customers. To maximize the benefits of social CRM strategies, hotels should regularly post updates, promotions, and relevant content on their social media accounts and use trending hashtags to generate interest in their products and services. Overall, social CRM strategies can help hotels build stronger relationships with their customers, increase their visibility online, and ultimately drive business growth. Furthermore, it may be beneficial for hotels to regularly evaluate and monitor their Social CRM strategies to identify areas for improvement and ensure that they are effectively meeting customer expectations.

Also, the findings of this study highlight the importance of regularly evaluating and monitoring Social CRM strategies to identify areas for improvement and ensure that they are effectively meeting customer expectations. This may involve conducting surveys and other forms of research to gather feedback from customers, as well as analyzing data on customer engagement and satisfaction. By regularly evaluating and monitoring their Social CRM strategies, hotels can ensure that they are effectively meeting the needs and expectations of their customers and make any necessary adjustments to improve the overall relationship quality.

## **7. FURTHER RESEARCH**

Further studies on the relationship between Social CRM strategies and relationship quality in the hotel industry could focus on examining moderator variables, such as location, size, and type, as well as the impact of external factors, such as competition, industry trends, and economic conditions. Future studies could also study Social CRM strategies in small and medium hotels.

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