

THESIS

**THE INFLUENCE OF SERVICE QUALITY AND SOCIAL
MEDIA MARKETING ON CUSTOMER RETENTION: A
STUDY AT HAILE RESORTS AND HOTELS IN ETHIOPIA**



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Represents my own work which has been done after registration for the Master of Management at Universitas Atma Jaya Yogyakarta, and has not been previously included in a thesis or dissertation submitted to this or any other institution for a degree, diploma or other qualifications. I have read the University's current research ethics guidelines, and accept responsibility for the conduct of the procedures in accordance with the University's Committee. I have attempted to identify all the risks related to this research that may arise in conducting this research, obtained the relevant ethical and/or safety approval and acknowledged my obligations and the rights of the participants.

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ABSTRACT

Hotels are required to improve their customer interactions and services as a result of the fierce competition in the hotel industry. Social media marketing may significantly improve brand recognition, consumer satisfaction, and customer loyalty. The objective of this study is to analyse the impact of several factors on customer retention at the Haile Resort Hotel in Ethiopia. The study employed a quantitative research methodology, with a specific focus on hotel guests as the target demographic. The data was acquired through online questionnaires sent across various social media platforms. The study established and quantified six variables: service quality, social media marketing, customer satisfaction, customer retention, brand image, and brand awareness. The study analysed the variables by utilizing adapted measures from other studies and assessed them using a Likert scale. The data analysis was performed using the Structural Equation Model (SEM) with the Partial Least Squares (PLS) technique, utilizing the Smart PLS 4.0.9.3 software. The study demonstrates that multiple factors exert a substantial impact on customer retention at Haile Resort Hotel in the Republic of Ethiopia. Customer retention is positively influenced by the quality of service and the implementation of social media marketing. Brand image does not act as a mediator between service quality and client retention. However, it does act as a mediator between social media marketing and customer retention. Client satisfaction acts as a mediator in the beneficial links between service quality, social media marketing, and client retention. The hotel's ability to effectively manage its perception and reputation is crucial, as it directly affects client retention and loyalty. Nevertheless, the level of recognition a brand has does not have a direct impact on the ability to maintain customers, indicating that simply being visible is not enough to foster consumer loyalty.

Keywords: service quality, social media marketing, customer retention, Haile Resorts and Hotels

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