



**Addis Ababa University  
School of Graduate Studies  
Department of Marketing Management**

**Analyzing The Effect Of Digital Marketing On Brand Preference  
In The Case Of Kuriftu Resorts**

**By: Tsion Tesfaye**

**Advisor: Tewodros Mesfin (Ph.D.)**

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# **Analyzing The Effect Of Digital Marketing On Brand Preference In The Case Of Kuriftu Resorts**

**By: Tsion Tesfaye (GSE/8917/12)**

**Advisor: Tewodros Mesfin (Ph.D.)**

**A Thesis Submitted to the School of Graduate Studies of Addis Ababa  
University School of Commerce in Partial Fulfillment of the Requirement for  
the Award of Master of Arts in Marketing Management**

**June 2024  
Addis Ababa, Ethiopia**

## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Tewodros Mesfin (Ph.D.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part, or in full to any other higher learning institution to earn any degree.

Declared by: Tsion Tesfaye

Signature:  \_\_\_\_\_

Date: \_\_\_\_\_

## Endorsement

I confirm that this thesis has been produced as per the standards of higher institutions and submitted to Addis Ababa University for examination approvable as a university advisor.

Advisor: Tewodros Mesfin (Ph.D.)

Signature:  \_\_\_\_\_

Date: \_\_\_\_\_

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By: Tsion Tesfaye (GSE/8917/12)

APPROVED BY BOARD OF EXAMINERS:

  
\_\_\_\_\_  
Advisor

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
External Examiner

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Internal Examiner

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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## Abstract

The research aimed to examine the effect of digital marketing on brand preference in the case of Kuriftu Resort. A total of 358 social media users on Kuriftu Resort digital platforms. Structured questionnaires were shared to gather data. The collected data was analyzed using SPSS version 29.0.2.0. Both the regression and correlation analysis indicated that the digital marketing elements contributed to brand preference. The study found that the majority of the respondents (76.5%) are aged 18-30, and the majority of the respondents (40.8%) spend 2-4 hours on digital platforms. Moreover, 17.3% of the respondents go on vacation once a month while the majority (52.2%) go on vacation once a year. The adjusted  $R^2$  model indicates that the independent variables determine independent variables like digital promotion, influencer recommendation, and direct messaging can have a determinant effect on brand preferences with 76.1% of the variance. Based on the regression model, all the independent variables (direct messaging, influencer recommendation, and digital promotion) contributed positively to brand preference. Direct messaging ( $\beta = 0.441$ ,  $t = 13.283$ ,  $p < .000$ ) had the highest, strong, and positive standardized beta value coefficient. This indicates that direct messaging has significant and positive effects on the brand preference of Kuriftu Resort. The other variable is influencer recommendation with ( $\beta = 0.416$ ,  $t = 12.586$ ,  $p=0.000<0.05$ ). The result thus indicated that the higher influencer recommendation practices can cause the higher brand preference of Kuriftu Resort. Among the tested predictors, digital promotion with ( $\beta = 0.201$ ,  $t = 5.132$ ,  $p=0.0000$ ,  $< .000$ ), implies digital promotion has significant effects on the brand preference of Kuriftu Resort. Based on regression test results, from digital marketing elements, the first effect for brand preference of Kuriftu resort was direct messaging, followed by influencer recommendation and the third was a digital promotion. The findings of the study indicate that digital marketing is an effective tool for Kuriftu Resort to stay preferred among other brands.

Keywords: digital marketing, digital promotion, direct messaging, influencer recommendation, brand preference

## CHAPTER 1: INTRODUCTION

### 1.1 Background of the study

In the fast-changing landscape of the global hospitality sector, the strategic use of digital marketing has become critical for enterprises trying to create and strengthen their brand presence. As consumers increasingly rely on online platforms for information, suggestions, and booking decisions, the hospitality industry must adapt and exploit digital channels successfully. This research paper investigates the effect digital marketing has on brand preference, with a specific focus on the luxury hospitality sector, Kuriftu Resorts.

Brands play an important part in the process of making decisions for consumers and provide a competitive advantage to marketers in today's competitive global economy. A strong brand is a vital motivator for establishing a strong market position. Brands convey status and provide experiences and stories to share; brands express the individuality of their users. Branding is always a crucial element in the world of business and now more than ever. Consumers are exposed to new brands every day due to technology. For consumers, who have a variety of choices and who can research to choose the one that fits best for them, this is excellent. But it makes it more difficult for businesses (Jones, 2021).

Once a consumer is aware of a certain brand and its offers, it is then the job of the brand to stay relevant in the customers' minds to be the number one choice despite the very many options and competition. The term "brand preference" refers to a customer's constant selection of one brand over another. In other words, they've familiarized themselves with the competition, perhaps even tried a few things from various brands, and decided that this is the best brand for them.

Frequently, business owners focus solely on raising brand awareness without considering how to convert that awareness into preference. Building brand equity is one of the most crucial parts of any organization, which enables clients to progress from mere awareness of a brand to committed patronage. A customer's brand preference can refer to how they prefer one brand over another, as well as the emotions they connect with that brand. The brand's underlying beliefs, attitude, and voice can all have an impact on this. Building loyalty and creating a connection between the brand and its customers is very essential. These can be achieved through marketing accessibility, trustworthiness, brand loyalty, authenticity, value, reference prices, price sensitivity, price segmentation, relevant differentiation, and emotional connection with the brand.

Products that lack effective branding will fall into obscurity as consumers may be ignorant of them or prefer more well-known alternatives. As a long-term strategy, building brand preference can help increase sales, profits, and market share.

The introduction of digital technology has drastically altered human life and given consumer habits a new dimension. The digitization of marketing has been accelerated by technological advancements in recent years. Marketing has evolved to the point where it must now adapt to digital trends. These comments define and hypothesize about digital consumer culture and explain how digital consumer culture supports digital cultural evolution in response to these ongoing changes in socio-cultural dynamics. Marketing is a concept that has constantly evolved over the years. Businesses nowadays do not need to do a lot of work on printed ads, pamphlets, radio, direct mail, TV ads, etc., and wait for their message to be grasped by their target audience.

They are shifting towards digital marketing to reach a targeted audience with very accurate and specific demographics as well as a wider audience that focuses on digital platforms with ads.

The internet is growing very quickly. Digital marketing is described as the creative and unique promotion and advertising of various products and services via multiple distribution channels that serve as a medium between marketers and consumers. The base for digital marketing is cost-cutting and time-bound activity. Digital marketing aims to convert leads into strong loyal customers and then to preserve their upcoming needs and customize products and services as per their choice. Thus, firms adopt current types of marketing through digital marketing, which uses tools to help the market expand and reach its target audience. Each and every person is connected to the internet. WhatsApp, Facebook, Twitter, and other social media platforms have helped marketers reach out to customers quickly. The days of solely rich and efficient men using the internet are long gone. Currently, every ordinary person has access to the internet. Another definition of marketing is that a marketer satisfies a customer's needs and desires by providing items and services that meet the customer's needs. Digital advertising and marketing is the process by which businesses promote their products, services, and brands using online media platforms. While modern digital marketing is a massive system of channels that marketers must simply integrate their brands into, internet advertising is far more sophisticated than the channels themselves. Digital marketing is the process and strategy of using digital channels to connect advertisers with their audiences. It is to market to people looking for business-related items and services to generate leads, sales, new traffic, and visibility, which is frequently done online.

With digital marketing, it is easy to track the results of the marketing campaign in the form of measuring impressions, clicks, likes, comments, shares, and conversions. These performance metrics give the marketer valuable insights, allowing them to make informed decisions about the business. Unlike the olden days of marketing, where one couldn't alter a billboard or flyer once it was up, digital marketing enables the ability to modify the campaign as it goes. This means the marketer can adapt as needed to drive the best possible results.

A brand establishes awareness and builds and stores value as brand equity for the object designated, to the benefit of the brand's customers, owners, and shareholders.

Brand awareness is the ability of a brand's ability to be remembered and recognized by its target audience.

"Brand equity" is a marketing phrase that refers to the value of a company's brand.

Consumers' predisposition to choose one brand's goods over another is known as "brand preference."

Brand preference is a marketing metric that reflects the strength of a brand in the market. This indicator shows whether consumers prefer a particular brand over other brands from the same category. (2022). It assesses customer loyalty towards a company. If customers don't investigate

other brands when trying to save money or break new territory, the company has succeeded in establishing brand preference.

Brand awareness, advocacy, loyalty, equity, engagement, identity, and image are aspects that contribute to brand preference. Considering all of these when making a brand strategy will help in getting customers to choose the brand over other brands. It shows how loyal a brand's customers are, how successful its marketing campaigns are, and how strong its brands are.

Ethiopia's hotel and resort industry is growing at a breakneck speed. Hotels with international brands have opened in Addis Ababa, the capital, and several regional cities. This demonstrates the government's commitment to improving service provision to a higher level in the hotel and hospitality service. Kuriftu Resorts is one of the leading hospitality industries in Ethiopia, having built its first 5-star luxury resort establishment in 2002. It has been expanding into different parts of the country, bringing unique experiences to each location. Kuriftu Resorts has built positive awareness as a brand in the minds of travelers locally and internationally and continues to attract new customers as well as maintain loyal customers. Since the establishment of the first Kuriftu Resort in Bishoftu, various resorts have emerged across Ethiopia with different commitments to adding value to the hospitality and tourism of the country. Kuriftu Resorts has been around for 20 years, so consumers are aware of the brand. The question is, how does the resort stay relevant?

Previous research papers have covered the topic of how digital marketing is effective in creating brand awareness. "Brand awareness" is a marketing term that refers to how well a product's name is recognized by consumers. Creating brand awareness is an important part of promoting a new product or revitalizing an old one. In an ideal world, brand awareness would include characteristics that set the product apart from its competitors. But it doesn't stop there. Brands need to be constantly selected by consumers to stay above the competition.

Throughout the years, various marketing strategies have been used to stay relevant in the minds of consumers. What effect does the evolution of marketing into digital marketing have on brand preference? Is Kuriftu Resorts applying digital marketing strategies to stay relevant, and if not, how can it use these strategies to do so? This research focuses on the digital marketing elements that add to the preference of a brand and covers works of literature on these elements and concepts in relation to the Kuriftu Resorts. Doing so assists Kuriftu Resort management by adding valuable insight into how these can influence their brand presence and eventually other management in the hotel industry. This research was done to analyze the effect of digital marketing on the brand presence of Kuriftu Resorts.

### Background of Kuriftu Resorts

With the idea of creating a place in Ethiopia combining a spa, a hair salon, and a hairdresser training school, Boston Day Spa was opened in 2004 and was the stepping stone to the future of Kuriftu Resorts. Construction of the Kuriftu Resort Spa Debre Zeyit was completed in January 2007. This 18-room hotel offering world-class service became popular in no time. Ever since

Kuriftu Resorts has been unstoppable. In 2008, a 28-room tourist resort was opened in Bahir Dar, at the source of the Blue Nile River.

The family business began to diversify and take its operations abroad. Boston Partners opened a restaurant in Djibouti and then another, the Diplomat Restaurant, in Addis Ababa, in what had been Boston Spa's building on Bole Road. This was a particularly clever decision since the Ethiopian capital is home to the African Union headquarters, which means that many diplomats stay there. The venture proved to be a success, and the empire continued to grow. In 2010, the number of rooms at Kuriftu Resort increased from 18 to 36, then to 89 in 2014, and further expanded to 150 rooms in 2022. The Kuriftu water park project in East Africa, located on the outskirts of Lake Kuriftu, was opened in 2019. The latest additions to the Bishoftu resort are a new multi-purpose outdoor venue with a capacity of more than 2,000 people and a swimming pool that incorporates a bar.

The company has pushed through during the COVID-19 pandemic by working on an adventure park within the government-launched Entoto Park. This adventure park includes the first zipline in Ethiopia; a rope course; a trampoline; paintball; and go-karts among its many activities. It also includes a tented campsite in the middle of the forest with full bathroom facilities and heated blankets in each room and a one-of-a-kind forest spa. This project has pushed creativity levels high, with the construction having unique elements and designs that incorporate the surroundings of Mount Entoto.

The newest addition to the resort is Kuriftu Awash Falls. A boutique resort suspended over a waterfall places guests at an elevation that is unique to the property. Situated within the Awash Park, this resort has 10 rooms, all with a view of the waterfall.

Mr. Tadiwos's ambition, as owner and CEO of Kuriftu Resorts, going forward is to generate more revenue from the tourism and leisure side of the business since this area attracts more customers and for a longer period. Boston Partners has thus become a tireless promoter of Ethiopia abroad (Benbadra, 2020).

A cultural synthesis of stone-clad structures, terrazzo flooring, and hardwood interiors of the resort has set the tone for natural architectural architecture across the country. The brand's greatest achievement is the impact it has on the local communities surrounding each destination. The dedication to capacity-building programs in the area has changed many lives by providing locals with alternative livelihoods and opportunities to showcase their culture. Kuriftu Resort moves with plans to expand internationally, highlighting Pan-Africanism to connect African countries and establish itself as a leading African brand.

As a company, Kuriftu Resorts aims to be progressive by developing Ethiopia's unique destinations through creative design, unmatched marketing, and a true passion for service. The latest initiative of Boston Partners PLC is to spearhead a promotional campaign to promote inter-African tourism with a focus on fostering a new mindset for the travel market.

## 1.2 Statement of the Problem

Every business or brand competes to position its goods or services in the most cost-effective manner possible. Recently, the demand for digital marketing in hotels has grown with Social Media Marketing (SMM), which works with social networking sites, and Search Engine Optimization (SEO), which makes the website appear in search results with advertisements on Google and online magazines through search engine marketing (SEM), video marketing through YouTube, and websites. Marketers can gain significant insights into target audience behavior while also introducing new methods of client involvement with a digital marketing plan. Today, digital marketing is an inescapable component of every organization, regardless of its size or industry. The dominance of digital marketing has influenced how businesses market their products and services to current and potential clients. In the hospitality and tourism industries, where clients have fast access to all types of information on the latest deals and lowest pricing, the urge for digital marketing has never been stronger.

Today, digital marketing is critical to the success of every firm in the hospitality and tourism industries. Newer means of marketing diverse services to target consumers have evolved since the internet's inception. Users can acquire tourism-related services online with the press of a button while comparing prices from businesses all around the world. Quality websites, a strong social media presence, search engine optimization, email marketing, content, and mobile friendliness are among the most important electronic activities for digital survival. Digital marketing has transformed the way firms communicate with customers and disrupted sectors. Digital marketing may track data regarding user behavior and campaign performance in real-time. The digital nature of Internet technology allows for a comprehensive and detailed understanding of consumer traits and behavior in the electronic world. The way business decisions are made has changed because of this information, and customers value excellent information that is instantly available on numerous digital platforms in today's digital marketing landscape, which is continually changing.

Consumer behavior is different for every individual but generally has basic needs. Their need for faster and instant information is one of the causes of the emergence of digital advertising because it is easy to access and search for consumers anytime and anywhere (Alamsyah, 2021). To stay relevant to customers, businesses should constantly provide information readily available at the touch of their fingertips. With the expanding technology and different platforms, staying up to date and being present on all platforms can be an effective way to move from brand awareness to brand equity, which will lead to brand preference. Brand preference is built through marketing accessibility, trustworthiness, brand loyalty, authenticity, value, reference prices, price sensitivity, price segmentation, relevant differentiation, and emotional connection of the brand to consumers.

In the world of technology and the internet, where readers prefer e-books to printed books, videos/photos from reading through writeups, getting emails rather than direct mail, reading e-news rather than newspapers, and now more than ever, this is an age where consumers stroll through social media and emails first thing in the morning and chat and watch videos as the last

thing before bed. In other words, people today spend more than half their waking lives on digital channels and are immersed in technology. Every consumer can get any information on anything in the world within seconds. Technology and the internet are constantly evolving. In traditional marketing, a company might place an advertisement in the newspaper, print and distribute flyers, or buy a billboard to reach out to potential customers. Customers now actively seek out businesses through digital media, shifting power from the brand to the customer.

Delivering consistent, trustworthy, and relevant information about a business is very critical for consumers to prefer their product or service over the competition. But if this information is not situated where the consumer is looking, it will be useless. As a result, a company without a digital presence has a near-zero chance of attracting new customers and engaging existing ones because they aren't looking in the correct places. By using a digital-first strategy to build a digital brand, companies can ensure that their brand will be present when prospects are searching and that they will not lose out on a way to connect and please their audience.

Kuriftu Resorts is one of the most prominent resort hospitality industries in Ethiopia. Kuriftu Resorts has locations that offer new and exciting experiences. Kuriftu Resorts has been present in the digital world since 2014 and has expanded its platforms and strategies ever since. The question is, is their digital presence and engagement with consumers on their digital platforms affecting their preference over other brands?

In today's highly competitive hospitality industry, Kuriftu Resorts, like many other businesses, faces the challenge of effectively utilizing digital marketing strategies to enhance brand preference among consumers. While digital marketing offers various platforms and tools for engaging with potential customers, the specific impact of these efforts on brand preference remains unclear. Understanding the effectiveness of digital marketing initiatives in shaping consumer perceptions and preferences towards Kuriftu Resorts is crucial for devising targeted marketing strategies and maintaining a competitive edge in the market.

## **Research Gap**

Despite the growing prominence of digital marketing in the hospitality sector, there is a notable gap in the literature regarding its precise influence on brand preference for specific establishments like Kuriftu Resorts. Existing research predominantly focuses on general trends and strategies in digital marketing, often overlooking the nuanced dynamics at play within individual brands and their target markets. Furthermore, while there is some research examining the impact of digital marketing on brand equity or awareness, limited attention has been given to its direct effect on brand preference – a critical determinant of consumer behavior in the hospitality industry. Consequently, there is a need for empirical research that delves into the relationship between digital marketing efforts and brand preference for Kuriftu Resorts, providing valuable insights for both academics and practitioners in the field.

The study on analyzing the effect of digital marketing on brand preference in the case of Kuriftu Resorts could potentially fill several empirical, practical, and contextual gaps:

**Empirical Gap:** With the dynamic nature of digital marketing, it is always necessary to update and look into new studies that showcase the development in the area.

- Existing empirical research in the hospitality industry often focuses on general trends neglecting the specific dynamics of boutique resorts like Kuriftu.
- Limited empirical evidence directly links digital marketing strategies to brand preference for individual resorts, particularly in the context of emerging markets such as Ethiopia, where Kuriftu Resorts operates.
- There is a lack of quantitative data on consumer perceptions and behaviors regarding Kuriftu Resorts' brand preference in response to digital marketing initiatives, hindering a comprehensive understanding of the phenomenon.

**Practical Gap:** branding influences customers' preferences for apparel. It is found that branding influences customers' perceptions of the brand which in turn influences their purchase decision.(Pradeep, 2024)

- The different digital marketing tools have been assessed in previous studies, such as SEO, Email marketing, Website marketing, and social media marketing in general. This research aims to fill the practical gap by covering other digital marketing tools that affect brand preference.
- Hospitality managers and marketers lack specific insights into the most effective digital marketing strategies for enhancing brand preference for boutique resorts like Kuriftu.
- The study could provide actionable recommendations and best practices tailored to Kuriftu Resorts' unique brand identity, target market, and competitive landscape.
- Practical implications could extend to budget allocation, resource allocation, and strategic decision-making regarding digital marketing investments for Kuriftu Resorts and similar establishments.

**Contextual Gap:** The context of Kuriftu Resorts in the digital marketing scene is peculiar and the study could shed light on attempting to fill the contextual gap.

- Understanding the contextual factors influencing digital marketing effectiveness for Kuriftu Resorts can inform broader discussions about international marketing strategies and market penetration strategies for boutique resorts in similar settings.

By addressing these empirical, practical, and contextual gaps, the study could contribute valuable insights to both academia and industry stakeholders, facilitating informed decision-making and strategic planning for Kuriftu Resorts and similar businesses operating in emerging markets.

Therefore, this paper focuses on analyzing digital marketing and its effect on brand preferences. This study emphasized the role of digital marketing in the case of Kuriftu Resorts and its effect on customers' preferences for the brand. This research is initiated to assess the effect of building consistent digital branding on brand preference in the case of Kuriftu Resorts.

## 1.3 Research Question

**The study frames the question of** what the effect of digital marketing is on the brand preference of Kuriftu Resorts.

**To answer the framed question, these sub-questions have been asked:**

- How does digital promotion affect the brand preference of Kuriftu Resorts?
- How do influencer recommendations affect the brand preference of Kuriftu Resorts?
- How does direct messaging customers affect the brand preference of Kuriftu Resorts?

## 1.4 Objective of the study

The objective of this study is to analyze the effect of digital marketing on the brand preference of Kuriftu Resorts.

**In doing so, this study addresses:**

- The effect of digital promotion on the brand preference of Kuriftu Resorts
- The effect of influencer recommendations on the brand preference of Kuriftu Resorts
- The effect of direct messaging by Kuriftu Resorts' digital platform on its brand preference

## 1.5. Significance of the Study

This research has been done to assess the effect of the growing digital marketing world on brand preference over the competition. In doing so, it also covers the following significance:

- It assists Kuriftu Resort management in determining whether the marketing plan they implemented resulted in improved brand preference.
- It adds valuable insight to other resorts and the tourism industry on how digital marketing can affect brand preference.
- It serves as a source of reference for other researchers who want to conduct additional research on the subject subsequently.

## 1.6 Scope and Delimitation of the Study

If all resorts in Ethiopia were included in the study, its relevance would be even greater. Despite the efforts to do in-depth research, it would be almost impossible to evaluate all resorts in Ethiopia owing to a lack of time and financial resources. As a result, redirecting to the research question at hand, a case study that has achieved brand awareness so far and is now consistently working on brand equity has been chosen, Kuriftu Resorts.

The research focused on the following variables in the case of Kuriftu Resorts by considering the problems observed in the resorts' brand preferences.

- Kuriftu Resorts' digital promotions
- Kuriftu Resorts' influencer recommendations
- Kuriftu Resorts' direct messaging on its digital platform.

The geographic scope of the study includes Kuriftu Resort in Bishoftu, Entoto, Awash, African Village, and Lake Tana.

The conceptual scope is digital marketing.

The methodological scope is the research methodology you are adopting.

The delimitation of the study is that all Kuriftu Resort customers that are not available on digital platforms are not be part of the study.

## 1.7 Organization of the Study

The research paper is organized into five chapters. The research's background, problem statement, research questions, research objective, significance of the study, scope, and limits are all presented in the first chapter. The study's conceptual framework, as well as a survey of associated theoretical and empirical literature, are covered in the second chapter. The research paradigm, design and methodology, data sources, target population, sample frame, data collecting, and analysis methods are all covered in the third chapter. The obtained data, as well as the analysis and discussion of the findings, are be presented in the fourth chapter. A summary of the findings, conclusion, and recommendations based on the findings are included in the fifth chapter.

## 1.8 Definition of Key Terms

**Digital Marketing** - is the process and strategy of using digital channels to connect advertisers with their audiences.

**Brand Preference** - consumers' predisposition to choose one brand's goods over another.

**Digital promotion** - is the marketing of brands to reach out to prospective clients via the internet and other digital channels. This encompasses text and multimedia messages as well as web-based, social media, and email marketing channels.

**Influencer** -someone in the niche or industry with sway over the target audience.

**Direct Messaging**- a private mode of communication between social media users.

# CHAPTER 2: LITERATURE REVIEW

## 2.1 Introduction

The lifetime value for new referral customers is 16% higher than for non-referrals. This is likely because they already have a positive opinion of the business, and friends are more likely to recommend “perfect fit customers” or those that they know will benefit from the brand's product or service. Social media posts influence the purchase decisions of 83% of US online shoppers. B2B companies with referrals experience a 70% higher conversion rate. Loyal customers can help expand the lead pipeline. 83% of consumers said that they would recommend a company that they trusted. Meaning trust will not only help gain repeated business, but it will create new customers alike (Chambers, 2020).

Marketing, which includes market research and advertising, is the action or business of promoting and selling items or services. The goal of service marketing is to improve brand awareness and sales through marketing services to customers. There has been a massive change in marketing since the introduction of the internet. Traditional methods are no longer the only way to advertise products or services. Businesses are shifting to digital marketing as the modern way. Digital marketing gives brands a big chance to compete in a global-scale market by reaching bigger audiences. -*Algo Sea Biz*.

Marketing is a concept that has constantly evolved over the years. Businesses nowadays do not need to do a lot of work on printed ads, pamphlets, radio, direct mail, TV ads, etc., and wait for their message to be grasped by their audience. They are shifting towards digital marketing to reach a targeted audience with very accurate and specific demographics as well as a wider audience that focuses on digital platforms with ads. Digital marketing tools use tools such as modern AI-lead chat bots, website optimization, online advertising, social media marketing, Email marketing, and design tools. To stay relevant with the customer, there is no better way to be present in all the media and technology they use (Johnson, 2022).

Marketing is a great tool to create a positive association that consumers can attach to the brand. These associations can help generate, brand loyalty and brand equity which in turn helps consumers prefer one brand over the other. Engaging with customers, understanding customer needs, brand consistency, and brand promotion are some of the ways marketing can be used to create brand preference. Traditional brand engagements were one-way and static: a prospect could read an ad in the newspaper but wouldn't be able to communicate with the brand through that channel. Today, however, brand engagements take place in real-time, allowing for two-way dialogues and meaningful exchanges between brands and their audiences. It's critical to have a digital-first approach that focuses on crystallizing the brand and taking advantage of digital opportunities to improve the consumer experience to offer a consistent picture that's in line with the brand's aims.

## 2.2 Theoretical Framework

A **brand** is a name, term, design, symbol, or other attributes that distinguishes one seller's excellent service from that of others. In business, marketing, and advertising, brands are used to establish awareness and, more crucially, to build and store value as brand equity for the object designated, to the benefit of the brand's customers, owners, and shareholders.

Consumers' familiarity (awareness) with a brand or its products is referred to as "**brand awareness**." Simply put, brand awareness is a measurement of a brand's ability to be remembered and recognized by its target audience. Brand awareness is at the top of marketing funnel by helping reach a wider audience, improve website traffic, foster brand loyalty, and generate leads. Campaigns to raise brand awareness cast a wide net.

"**Brand equity**" is a marketing phrase that refers to the value of a company's brand. The brand's worth is determined by the consumer experiences and insights. When people think positively of a brand, it will have positive brand equity. Companies can build brand equity for their products by making them memorable, recognizable, and of higher quality and reliability.

Consumers' predisposition to choose one brand's goods over another is known as "**brand preference**." Customer behavior patterns show that customers will continue to buy products from a company with which they have a sour relationship. Because established consumers are considerably easier to market to than new customers, brand loyalty enhances the likelihood of an existing customer trying a new product.

**Brand preference** reflects the strength of a brand in the market. This indicator shows whether consumers prefer a particular brand over other brands from the same category. (2022). It assesses customer loyalty to a company. If customers don't investigate other brands when trying to save money or break new territory, the company has succeeded in establishing brand preference.

Brand awareness, advocacy, loyalty, equity, engagement, identity, and image are aspects that contribute to brand preference. Considering all of these when making a brand strategy will help in getting customers to choose the brand over other brands. It shows how loyal a brand's customers are, how successful its marketing campaigns are, and how strong its brands are.

**Marketing**, market research and advertising, is the act or business of promoting and selling items or services. Service marketing aims to boost brand awareness and sales by selling services to customers. The American Marketing Association defines marketing as the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals (Iwu, 2009). Marketing is responsible for how a brand is presented and represented to consumers.

Digital marketing first appeared as a term in the 1990s, but it was a very different world then; Web 1.0 was primarily static content with very little interaction and no real communities. The first banner advertising started in 1993 and the first web crawler (called WebCrawler) was created in 1994 – this was the beginning of search engine optimization (SEO) as we know it (Kingsnorth, 2016). Once Google started to grow at a pace and Blogger was launched in 1999, the modern internet age began. Blackberry, a brand not connected with innovation anymore, launched mobile email and Myspace appeared (Monnappa, 2022). Myspace was the true beginning of social media as we define it today, but it was not as successful as it could have been from a user experience perspective. Ultimately, that is what led to its downfall. Google's introduction of AdWords was their real platform for growth and remained a key revenue stream for them. Their innovation, simple interface, and accurate 6 algorithms continue to remain. Cookies have been a key development in delivering relevant comments and personalizing the user experience (Monnappa, 2022).

One of the technologies that brought an information revolution to society is Internet technology, which is rightly regarded as the third wave of revolution after the agricultural and industrial revolutions. (Gangeshwer, 2013) The first search engine started in 1991 with a network protocol called Gopher for query and search. In 1993, the first clickable banner went live, after which Hotwired purchased a few banner ads for their advertising. This marked the beginning of a new era—the digital era of marketing. Because of this gradual shift, the year 1994 saw new technologies enter the digital marketplace. In the very same year, Yahoo was launched. 1998 saw the birth of Google. Microsoft launched the MSN search engine and Yahoo brought to the market Yahoo web search. In 2000, the internet bubble burst, and all the smaller search engines were either left behind or wiped out, leaving room for the giants (Monnappa, 2022). Then, in 2006, the digital marketing world saw its first steep surge. At that time, search engine traffic had already grown to about 6.4 billion in a single month.

Soon, Google began to expand and, along with it, social networking sites began to emerge. Myspace was the first social networking site, followed by Facebook. With this, companies realize that all these new sites are opening new doors of opportunity for them to market their products and brands. Products marketed digitally are now available to customers at all times. Statistics collected by the Marketingtechblog for 2014 show that posting on social media is the top online activity in the US. Monnappa (2022) wrote that the average American spends 37 minutes a day on social media. 99% of digital marketers use Facebook to market, 97% use Twitter, 70% use Google+, 69% use Pinterest and 59% use Instagram. 70% of B2C marketers have acquired customers through Facebook. 67% of Twitter users are far more likely to buy from brands that they follow on Twitter. 83.8% of luxury brands have a presence on Pinterest. The top three social networking sites used by marketers are LinkedIn, Twitter, and Facebook (Monnappa, 2022).

Digital marketing benefits include the ease of communicating with customers in real-time. It also enables them to communicate with the brand. When the target audience on the brand's social media views the most recent post, it's terrific, but it's even better when they comment or share it. It means more buzz for the product or service, as well as more visibility each time someone joins the conversation. Clients will gain from interactivity as well. As customers become active players

in the brand's story, their degree of engagement rises. This sense of belonging can lead to strong brand loyalty (Mailchimp, 2022).

With the number of consumers going online to search for their needs in products or services, it is only logical to take marketing online. Wide brand exposure, cost-effectiveness, helping target a specific audience, interaction with customers at every stage of their journey with the brand, providing measurable and trackable results, increasing customer loyalty, generating a consistent lead pipeline, gaining brand credibility, and so on are all advantages of digital marketing (Membrillo, 2021).

**Digital marketing** is the process and strategy of using digital channels to connect advertisers with their audiences. An online process of marketing a business, products or services, to people by gaining new traffic, sales, exposure, and leads is digital marketing. For many reasons, businesses of all types have switched gears to leverage digital channels like search engines, social media, email, and other websites. Most commonly, the goal of investing in digital marketing is to boost engagement, increase sales and profits, create brand awareness, connect with current and future customers, and gain brand preference.

With digital marketing, businesses can easily track the results of their campaign in the form of measuring impressions, clicks, likes, comments, shares, and conversions. These performance metrics give them valuable insights, allowing them to make informed decisions about their business. Unlike in the olden days of marketing, where altering a billboard or flyer once it was up, was not possible, digital marketing enables modifying campaigns on the go. This means it can adapt as needed to drive the best possible results.

**Digital promotion** - is the promotion of brands to connect with potential customers using the internet and other forms of digital communication. This includes not only email, social media, and web-based advertising, but also text and multimedia messages as a marketing channel.

**Influencer** -someone in the niche or industry with sway over the target audience. An influencer is a celebrity, public figure, or content creator with an organic and engaged audience. Influencer marketing leverages the credibility of a popular content creator to promote the brand through paid endorsements and recommendations.

Partnering with influencers gives direct access to a segment of prospects that need and want to buy the product. Research has shown that 61% of consumers trust product recommendations from friends, family members or influencers on social media, while only 38% trust brand recommendations. (Scott Darrohn, March 2023)

**Direct Messaging** - a private mode of communication between social media users. It is used to inform customers and referral partners about things going on in the business. It is a great way to notify someone about upcoming sales, events, business milestones, and changes in the business. Direct messaging allows to communicate brand, services, products, and company's mission. Communicating directly with customers in this manner offers a level of personalized

service they will appreciate. When things go wrong, as they sometimes do, a direct message with an update or apology goes a long way in creating customer loyalty. (VPS Social, September 2022)

The relationship of the independent variables to the dependent variable is demonstrated in the conceptual framework.

## 2.3 Empirical Literature Review

### **Digital marketing and brand preference**

It's been nearly a quarter-century since the Internet and the World Wide Web were first used for business purposes. The commercial landscape has altered at a breakneck speed during this time. Large international firms such as Google, Facebook, Amazon, Alibaba, eBay, and Uber, which were unheard of just twenty years ago, have risen to prominence as essential stakeholders in our modern economy. Online sales accounted for 7.4% of total retail spending in the United States in 2015, the highest percentage since tracking began in 1999. (Phillips 2015). Mobile device sales have risen rapidly, accounting for roughly 22 percent to 27 percent of all internet transactions (Rao 2015; Malcolm 2015). Companies are emphasizing the significance of developing a "digital relationship" with their customers (Phillips 2015).

People today spend more than half their waking lives on digital channels and are immersed in technology. Every consumer can get any information on anything in the world at the touch of their fingertips within seconds. Technology and the internet are constantly evolving. It is only in the best interest of brands to be present in these media to be relevant to consumers.

Using the different components to be a part of the digital marketing world and tips to have a good brand preference, brands can promote themselves to consumers in ways that consumers can interact with and create a connection with them. When building a brand preference using digital marketing, the company should be just as engaged as or even more engaged than the consumer. This is to adapt and evolve with the clients' needs and the technology.

Consumers expect firms to be responsive on digital platforms when they adopt a digital-first strategy for their brand. 60% of people think it's bad customer service if they don't hear back from a brand after contacting them on social media, and 80% expect a response within 24 hours. Furthermore, if clients use social media platforms to reach out to the brand for satisfaction or a problem resolution and don't get an answer immediately, half of them will never do business with the brand again (Digital Marketing Institute, 2018).

Digital-first branding will help provide a better customer experience, facilitate meaningful interactions, ensure marketing messages are highly targeted, and help stay flexible in an ever-changing digital world (Digital Marketing Institute, 2018).

## Influencer recommendation and brand preference

Influencer marketing entails working with individuals known as influencers, who have a large following and credibility in a specific specialty or industry. These influencers have the ability to sway their loyal audience's ideas and actions, making them ideal partners for brands trying to broaden their reach and authentically connect with their target consumers. (The Role of Influencer Marketing in Building Brand Loyalty, 2023)

Authentic influencers tend to have a loyal following. They can increase audience loyalty and trust by becoming experts in a specific area, such as food and drink or fashion. They demonstrate their knowledge by giving authentic, personal tales, insights, and advice in their writings. (Influencer Marketing, October 2023)

By incorporating a brand into their narrative, influencers elicit favorable emotions and memories linked with the product or service, leaving a lasting impression on their followers' image of the brand. This emotional resonance increases the chances of establishing a devoted consumer base that identifies the brand with positive experiences and thoughts. (The Role of Influencer Marketing in Building Brand Loyalty, 2023)

Influencer advertising is a rapidly growing market, with substantial ad spending projected in the coming years, as projected below. (Prasad, June 2023)

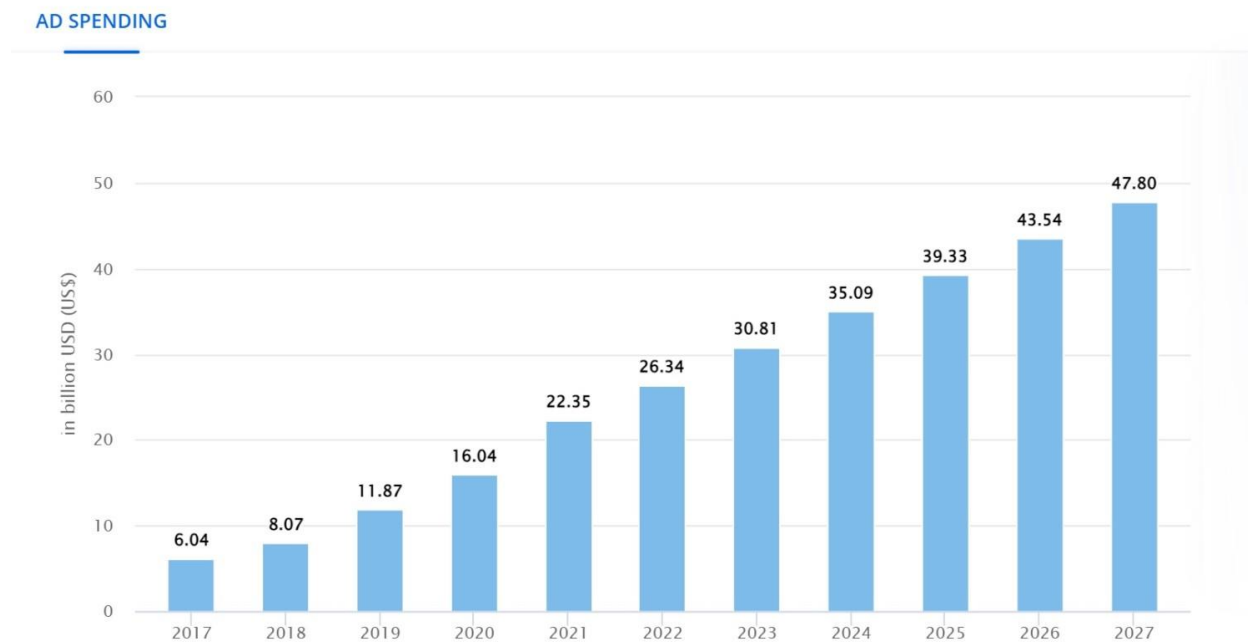


Diagram 1.1 – Rapid growth of influencer marketing (Prasad, June 2023)

Travel influencers and bloggers have gained significant popularity, and their recommendations and experiences heavily influence their followers' travel decisions. Collaborating with travel influencers allows hotels, resorts, airlines, and travel agencies to showcase their destinations, services, or travel packages, generating interest and bookings. (Prasad, June 2023)

### **Direct messaging on digital platforms for brand preference**

In terms of social media messaging frequency, 61% of consumers have contacted a company's customer service team on social media within the last year. More specifically:

- 43% of consumers have used Facebook Messenger.
- 18% of consumers have used Instagram Direct.
- 12% of consumers have used Twitter Direct Messages.

This means most consumers use social media for customer service. This may include sending messages to request assistance, report product concerns, provide feedback, or propose new ideas. (Chinn, March 2023)

Direct texting is an efficient approach to making contacts. Just because someone follows a brand does not imply, they are loyal. Connecting with the audience will help to keep them interested and satisfied. Direct messaging is an excellent way to generate leads and grow your business is to welcome new followers to your social media channels via direct messaging. For example, urge them to join an email list, inform them of upcoming promotions, or even provide a welcome discount (VPS Social, September 2022).

### **The Resort and Hospitality Industry**

International tourist arrivals hit 91% of pre-pandemic levels in the third quarter, reaching 92% in July, the best month so far since the start of pandemic. Overall, tourism recovered 87% of pre-pandemic levels in January-September 2023. That puts the sector on course to recover almost 90% by the end of the year. International tourism receipts could reach USD 1.4 trillion in 2023, about 93% of the USD 1.5 trillion earned by destinations in 2019 (UNWTO, 2023). International tourism is well on track to fully recover pre-pandemic levels in 2024 despite economic challenges such as high inflation and weaker global output, as well as important geopolitical tensions and conflicts (UNWTO, 2023).

Since Ettege Taitu, Ethiopia's first hotel established in 1898, the construction and inauguration of hotels and other connected hospitality services has increased. The expansion in the number of hospitality services has aided the area in attracting a lot of local and international investors. This industry and business are expected to benefit from international brands and franchisees, as well as locally standardized operations. Because the number of diplomats and business clients is increasing, and the local dining style is changing, hotel chains are expanding in this capital. Ethiopia has seen a significant surge in tourism in recent years, according to various reports. This worries the Ministry of Culture and Tourism, as well as the associated stakeholders, who must complete numerous homework and responsibilities in order for Ethiopia to become one of Africa's top tourist destinations (Wudie, 2018).

### Kuriftu Resorts' brand awareness

Kuriftu Resorts has a unique logo design that is instantly recognizable to customers everywhere. The resort has been very consistent in using billboards, flyers, TV commercials, and radio to present the brand and its services to customers. The different marketing strategies used over the years have been sufficient in putting Kuriftu on the map locally and internationally.

### Kuriftu Resorts' digital marketing

Kuriftu Resorts is present on multiple digital media platforms. These platforms are useful to help create awareness, brand image, and stay relevant to customers. Besides sending out information about the brand on these platforms, they also create a space for customers to interact with the brand and other customers. For these media channels, marketing strategies are developed on a monthly and quarterly basis that assess the previous strategies and their effectiveness, research current and future trends, and work on applying them to the new strategy. This process allows room to keep up to date with the evolving digital world. Digital marketing is also used to collect responses from clients, engage with clients, and create a relationship with them to keep clients on their toes about the resort's current and upcoming status.

For this research, platforms with high engagement and activity have been selected to assess the performances and study the effectiveness of the digital marketing methods.

## 2.4 Conceptual Framework

As an independent variable, the digital marketing elements affect the brand preference, a dependent variable. From the literature review, we can deduce that the customers' selection of a brand relies on their exposure to promotions on the digital platforms, influencer recommendation of the brand, and the brand's interaction with consumers through direct messaging.

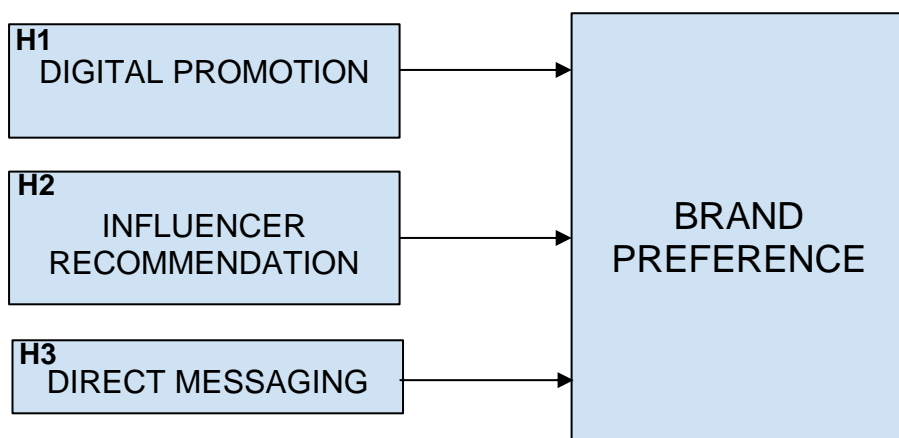


Diagram 2 – Conceptual framework

Source: A modified model of Lalit and Monika, 2023

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Introduction

The research approach and process for this research paper is covered in this chapter. The research plan, research methodology approach, kind of analysis, and research limits of this project is detailed under Research Methodology.

## 3.2 Research Approach

The research paradigm is a philosophical framework that underpins research. It provides a framework for the research project's theories and activities, based on a set of beliefs and understandings. Ontology, epistemology, methodology, and methodologies are the major dimensions of research. Each component has an impact on how a research topic is phrased, how a project is conceived, and how a study is conducted. Furthermore, methodological decisions are usually informed by ontological and epistemological viewpoints.

**Research epistemology** is significant because it has an impact on how researchers frame their research in their quest for knowledge. It can investigate the concept of epistemology and how it informs study design by looking at the relationship between a subject and an object (Cohen, 1988).

How is it possible to know if the consumers' interactions through digital platforms are continuously altered?

**Methodology:** The underlying plan and logic of the research study are referred to as methodology. It entails researching the methods employed, as well as the theories or principles behind them, to design a strategy that is tailored to the research goals (Cohen, 1988).

The data for the research is collected through primary data by surveying individuals from a sample size that interacts with the brands' digital platforms through a series of questions that they can answer by selecting either strongly agree, agree, neutral, disagree, or strongly disagree. These are then analyzed with a numerical value of; (5)strongly agree, (4)agree, (3)neutral, (2)disagree, or (1)strongly disagree

### 3.2.1 Research Paradigm

This study researched the presence of a relationship between two variables: digital marketing and brand preference, rather than the reasons for it. These reasons incline the research paradigm to positivism. Positivism thinks that just one reality can be measured and comprehended. As a result, they're more inclined to use **quantitative methods**. Positivism usually proposes a hypothesis that may be proven or disproven by statistical data analysis. Positivism employs a brief, precise, and concise discussion rather than a descriptive story based on human emotions or subjective

interpretation. Because of the value-free rationale, it does not allow for any interpretation. (Cohen, 1988).

The facts are that digital marketing is the new way to transform the marketing world. It plays an important role in creating awareness, building brand presence, brand equity, and brand preference. These can be achieved through different strategies that can be applied through multiple digital media channels.

### 3.2.2 Research Approach

General assumptions to specific data collection, analysis, and interpretation procedures all together as a strategy and technique is the research approach. As a result, it is based on the nature of the study problem at hand. The research approach used in this paper is a **deductive approach**. The deductive approach of analysis or reasoning consists of- the following steps: the exploration of theories; the development of a theoretical framework or hypotheses; the observation of hypotheses through statistical testing; and the confirmation of a specific conclusion drawn logically from premises (Chetty, 2016).

### 3.2.3 Research Methods

The method of research that is used in this paper is **quantitative research**. Quantitative research often involves the use of statistical analysis to make the connection between what is known and what can be learned by research. Consequently, analyzing data with quantitative strategies requires an understanding of the relationships among variables by either descriptive or inferential statistics. Descriptive statistics help to draw inferences about populations and to estimate their parameters. Inferential statistics are based on descriptive statistics and the assumptions that generalize the population from a selected sample. Quantitative data requires statistical analysis to test hypotheses (Chetty, 2016).

## 3.3 Research Design

This research paper uses an **explanatory design** as its research design. Explanatory research Engel and Schutt (2010), Jackson (2011), Marlow (2005), and Pierson and Thomas (2010) explain that explanatory research seeks to identify causes, to ascertain causality between factors, and to determine effects on the behavior of a social phenomenon, and to predict how one phenomenon will change or vary in relation to another variable. In this case, how brand preference will vary in relation to digital marketing variables.

## 3.4 Population and Sampling

### 3.4.1 Population

This paper analyzes the effect of digital marketing on the brand preference of Kuriftu Resorts. The target population is all the individual consumers who use Kuriftu's digital platforms. This is

because the question at hand is whether digital marketing techniques have an effect on why consumers prefer Kuriftu over other brands.

### 3.4.2 Sample Frame

Kuriftu resorts can be found on a variety of digital platforms including but not limited to; the company website, booking.com, trip advisor, Facebook, Instagram, LinkedIn, TikTok, and Telegram. The number of users on digital platforms of Kuriftu Resorts are scattered on the different platform hence a sample frame was taken from the platforms that had registered followers with active engagement between users and brand (Instagram, Facebook, and Corporate Website). The number of consumers on these platforms is as seen below:

Kuriftu Resort Instagram Platforms and users

- Kurifturesortspa – 15,000 followers
  - Kuriftuwaterpark – 7,031
  - Kurifturesortentoto – 6,255
  - Kuriftuafricanvillage – 114
  - Kuriftuawashfalls – 7,384
  - Bostondayspa – 3, 161
- Total = 35,784

Kuriftu Resort Facebook Platforms and users

- Kurifturesortspa – 1,400 followers
  - Kuriftuwaterpark – 13,000
  - Kurifturesortentoto – 9,900
  - Bostondayspa – 6,400
- Total = 30,700

Corporate Website (subscribers on the email list)– 300

This brings the total number of users to 66,784 users.

### 3.4.3 Sample size

Slovin's formula is used to determine the sample size. Slovin developed the formula (also known as "Sloven's formula") in 1960. When there is no information about a population's behavior, Slovin's formula is used.

$n = N / (1 + Ne^2)$  Whereas:  $n$  = no. of samples  
 $N$  = total population  
 $e$  = error margin / margin of error

Given:  $N = 66,784$

$e = 95\% = 0.05$

$n = 66,784 / (1 + 66,784 \times 0.05^2)$

$$n = 66,784 / (1 + 66,784 \times 0.0025)$$

$$n = 66,784 / (1 + 166.96)$$

$$n = 66,784 / 167.96$$

$$n = 397.61 \text{ or approx. } 398$$

### 3.4.4 Sampling Technique

According to Cohen (1988), each member of the population under investigation has an equal chance of being selected, and the probability of a member of the population being selected is unaffected by the selection of remaining members of the population, i.e. each selection is completely independent of the next. The procedure entails selecting the requisite number of subjects for the sample at random from a list of the population (a sampling frame).

To select the 398 customers out of the total population, the research study applies a **simple random sampling technique**.

Simple random sampling is a widely used technique in research, particularly in fields such as social sciences, epidemiology, and market research. In this method, each member of the population is assigned a unique identifier, and a subset of these identifiers is randomly selected to form the sample. This approach ensures that the sample is representative of the population and reduces the risk of bias in the selection process. (Lohr S., 2019)

The questionnaires have been disseminated through the respective digital media platforms.

## 3.5 Data Collection

There are two types of data collection: primary and secondary. Primary data is original and unique data, which is directly collected by the researcher from sources such as observations, surveys, questionnaires, case studies, and interviews according to requirements. As opposed to secondary data, this is easily accessible but not pure as it has undergone many statistical treatments (Ajayi, 2017). Sources of secondary data are government publications, websites, books, journal articles, and internal records.

For this research, both primary and secondary data have been collected. Primary data was collected through a questionnaire, that was distributed to the 398-sample size of the population. Secondary data has been collected through articles, websites, and other publications.

## 3.6 Data Analysis

Editing techniques such as reviewing the raw data for problems, errors, classifications, and aggregation are used to compile the data. Quantitative analysis has been performed on the data acquired and was analyzed using SPSS software version 29.0.2.0.

The SPSS software has been used to manipulate descriptive statistics as percentages, frequency distribution tables, and charts and inferential statistics as validity, correlation, and regression.

The model specification formula used in this study is based on a linear regression framework, commonly employed in marketing and consumer behavior research (Hair Jr, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. 2019).

$$\text{Brand Preference} = \beta_0 + \beta_1 \text{Digital Platforms} + \beta_2 \text{Influencer Recommendation} + \beta_3 \text{Direct Messaging} + \epsilon$$

In this formula:

- Brand Preference remains the dependent variable, representing the preference level for Kuriftu Resorts.
- Digital Platforms, Influencer Recommendation, and Direct Messaging are the independent variables hypothesized to influence brand preference.
- $\beta_0$  represents the intercept term, indicating the baseline level of brand preference when all independent variables are zero.
- $\beta_1, \beta_2, \beta_3$  represent the coefficients or slopes associated with each independent variable, indicating the strength and direction of their respective effects on brand preference.
- $\epsilon$  represents the error term, capturing unobserved factors and random variation in brand preference not explained by the independent variables.

This model specification formula outlines the basic structure of the relationship between the independent variables (digital platforms, influencer recommendation, and direct messaging) and the dependent variable (brand preference). This formula will guide the data analysis, through regression analysis, to estimate the coefficients and assess the significance of each independent variable's impact on brand preference.

### 3.6.1 Validity

The research reliability has been ensured through the SPSS version 29.0.2.0 statistical test and Cronbach's alpha test analysis.

	Cronbach's Alpha	No of Items
Reliability statistics of Kuriftu Resorts' Digital Promotion	0.839	5
Reliability statistics of Kuriftu Resorts' Influencer Recommendation	0.778	4
Reliability statistics of Kuriftu Resorts' Direct Messaging to Customers	0.937	3
Reliability statistics of Kuriftu Resorts' Brand Preference	0.767	4
Reliability of Total Scale	0.926	16

Table 1: Cronbach's Alpha Test

Source: Survey Analysis Result (2024)

An alpha of 0.7 (some say 0.6) implies adequate reliability, whereas 0.8 or greater suggests good reliability, according to a widely established rule of thumb. High reliability (0.95 or greater) isn't always desired because it can suggest that the items are completely redundant. (Zaiontz, 2022)

The statistic for each variable is between 0.767 – 0.926 which suggests adequate - good reliability. With the total scale at good reliability suggesting the research to be reliable.

### 3.7 Ethical consideration

Before the study begins, all participants have given their informed consent. Participants were provided with a clear explanation of the study's purpose and have been informed that they were free to stop at any moment. Participants were also educated about the data collection process. The participants' privacy is safeguarded and ensured by not writing their names and providing explicit instructions. Furthermore, the data received through the aforementioned technique was exclusively used for research purposes, and the data will be kept confidential.

# CHAPTER FOUR: DATA FINDING AND DISCUSSION

## 4.1 Introduction

This chapter covers the analysis, findings, and discussions on the effect of digital marketing on brand preference in the case of Kuriftu Resorts. As the purpose of the study was to assess the effect of the digital marketing on brand preference, data was collected from the target audience using questionnaire. The data collected has been analyzed using SPSS version 29.0.2.0.

A total of 430 questionnaires were distributed to respondents who are followers on Kuriftu Resorts digital platforms. The questionnaire consisted of five main sections. The first section was focused on demographic data of respondents, second section on Kuriftu digital promotion, third section on Influencer recommendation, fourth section on direct messaging to customers, and the final section on Kuriftu Resorts brand preference.

## 4.2 Primary Data Analysis

Quantitative data was analyzed by employing descriptive and explanatory statistics using the Statistical Package for Social Science (SPSS) version 29.0.2.0. Kuriftu Resorts' four areas of digital marketing that affects brand preference have been investigated: Digital promotion; Influencer recommendation; Direct Messaging to customers; and Kuriftu Resorts' Brand Preference.

Distribution Method	No. Distributed	No. Returned	Overall response rate
Digital Media (Instagram, Facebook, Email)	430	358	83.25%

Table 2: Questionnaire Distribution Data

Source: Survey Result (2024)

The research was done through distributing questionnaires over digital media platforms to Kuriftu Resort digital media users. Of the 430 distributed questionnaires, 358 were returned, with a response rate of 83.25%.

### 4.2.1 Demographic Information of Respondents

To assess the demographics of the respondents, these questions were included: gender, age, education level, work experience, what industry do you work in? How many hours do you spend

on digital platforms (email, Instagram, Facebook, TikTok, LinkedIn, YouTube, Google, etc.)? How often do you go on vacation? What type of vacation do you usually take? Have you ever been to any of Kuriftu Resorts' destinations? How often do you go to Kuriftu Resorts? And which destination do you enjoy the most?

No.	Description	Frequency	%	Total		
				Frequency	%	
1	Gender	Female	180	50.3	358	100
		Male	178	49.7		
2	Age	18-30	274	76.5	358	100
		31-40	49	13.7		
		41-60	23	6.4		
		Above 60	12	3.4		
3	Educational Level	Bachelor's Degree	167	46.6	358	100
		High School	10	2.8		
		Master's Degree	159	44.4		
		Ph.D. or Higher	22	6.1		
4	Work Experience	0-2 years	56	15.6	358	100
		2-4 years	10	2.8		
		4-7 years	204	57.0		
		7+ years	88	24.6		
5	What industry do you work in?	Civil Society	67	18.7	358	100
		Education	10	2.8		
		Health	24	6.7		
		Hospitality	26	7.3		
		Marketing	57	15.9		
		Private	174	48.6		
6	How many hours do you spend on digital platforms (Email, Instagram, Facebook, TikTok, LinkedIn, YouTube, Google, etc...)?	0-1 hour	21	5.9	358	100
		2-4 hours	146	40.8		
		4-7 hours	124	34.6		
		7+ hours	67	18.7		
7	How often do you go on vacations?	Every Weekend	0	0	358	100
		Once a month	62	17.3		
		Once every 6 months	107	29.9		
		Once every year	189	52.8		
8	What type of vacations do you usually take?	Couples/Romantic	15	4.2	358	100
		Family	146	40.8		
		Friends	173	48.3		
		Solitude	24	6.7		
9		No	38	10.6	358	100

	Have you ever been to any of the Kuriftu Resorts destinations?	Yes	320	89.4		
10	How often do you go to Kuriftu Resorts?	Every Weekend	0	0	358	100
		Once a month	22	6.1		
		Once every 6 months	75	20.9		
		Once every year	261	72.9		
11	Which destination do you enjoy the most?	Kuriftu Resort Awash Falls	10	2.8	358	100
		Kuriftu Resort Bishoftu	190	53.1		
		Kuriftu Resort Entoto	89	24.9		
		Kuriftu Resort Lake Tana	28	7.8		
		Kuriftu Waterpark	41	11.5		

Table 3: Demographic Data

Source: Survey Result (2024)

As shown in the table above, the female-to-male ratio is 50.3% to 49.7%. This means that the gender demographics were not dominated by one gender.

The majority of the respondents were aged 18–30, with 76.5% dominance, while the second largest demographic was aged 31–40, with 49.0% of the population. The population also includes 6.4% are at age 41-60 with 23 respondents, and 3.4% are above 60 years old with 12 respondents.

167 respondents, the majority, have a bachelor's degree, whilst 159 respondents have a master's degree, taking 46.6% and 44.4% respectively. The other 2.8% are high school graduates (10 respondents) and 6.1% are Ph.D. or higher (22 respondents).

The work experience of the respondents is largely of 4-7 years with 204 respondents at 57%, 7+ years with 88 respondents at 24.6%, 0-2 years with 56 respondents at 15.6%, and 2-4 years with 10 respondents at 2.8%.

The respondents work in different sectors of the industry, with 174 in private, 57 in marketing, 26 in hospitality, 67 in civil society, 24 in health, and 10 in education.

The majority of the respondents spend 2-4 hrs. on digital platforms (146 respondents, 40.8%), 4-7 hrs. (124 respondents, 34.6%), 7+ hrs. (67 respondents, 18.7%), and 0-1 hr. (21 respondents, 5.9%).

The respondents mainly take vacations once every year (189 respondents, 52.2%), 107 respondents go once every 6 months (29.9%); and the rest, 62, go once a month, making up 17.3% of the respondents.

173 respondents (48.3%) usually vacation with friends, 146 respondents (40.8%) with family, 24 respondents (6.7%) usually take solitude vacations, and the other 15 respondents (4.2%) usually take romantic vacations.

320 (89.4%) of the respondents have been to Kuriftu Resorts, while 38 (10.6%) have not.

72.9% (261) go to Kuriftu once a year, 75% (20.9) go once every 6 months, and 6.1% (22) go once a month.

The most enjoyed destination by the respondents, at 53.1% (190), was Kuriftu Resort Bishoftu, followed by 24.9% (89) Kuriftu Resort Entoto, 11.5% (41) Kuriftu Waterpark, 7.8% (28) Kuriftu Resort Lake Tana, and 2.8% (10) Kuriftu Resort Awash Falls.

#### 4.2.2 Variable questions

Respondents were asked to rate their digital interactions with Kuriftu Resorts and their brand preference by using a 5-point Likert scale. Respondents were asked to rate each question on the variables listed below.

- 1 = strongly disagree.
- 2 = disagree,
- 3 = neutral,
- 4 = agree,
- 5 = strongly agree

The mean values of each question and variable as a whole are rated using the 5 Likert scale as listed below.

- (1 - 1.79) = strongly disagree
- (1.80 - 2.59) = disagree
- (2.60 - 3.39) = neutral
- (3.40 - 4.19) = agree
- (4.20 - 5) = strongly agree

##### 4.2.2.1 Variable 1-Kuriftu Resorts' Digital Promotion

As mentioned above, five variables have been assessed in this research paper. Kuriftu Resorts' digital promotion is the first one. For this variable, five questions have been put to the respondents, and their answers are as follows.

Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
S1	12	3.4	90	25.1	224	62.6	32	8.9	0	0
S2	12	3.4	153	42.7	183	51.1	10	2.8	0	0
S3	24	6.7	166	46.4	146	40.8	22	6.1	0	0
S4	47	13.1	216	60.3	83	23.2	12	3.4	0	0
S5	57	15.9	151	42.2	138	38.5	12	3.4	0	0

Table 4: Digital Promotion

Source: Survey Result (2024)

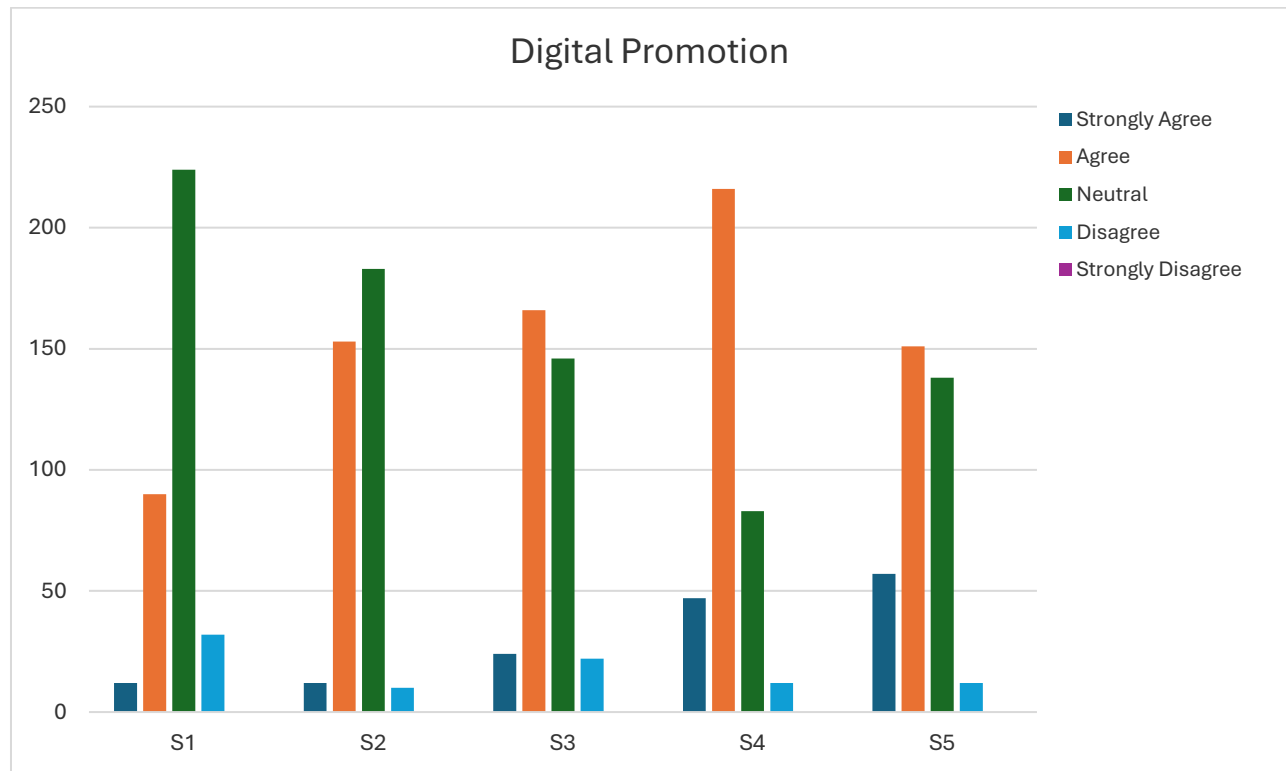


Diagram 3: Kuriftu Resort Digital Promotion

Source: Survey Result (2024)

S1- The digital channels allow customers to easily communicate with the Kuriftu Resort more effectively.

S2- The different digital platforms are easy to make payments with.

S3- The digital channels support and promote user interactions.

S4- The digital channels are easily accessible on all types of technology (smartphones, laptops, tablets, etc...).

S5- The digital platforms are designed to help users find what they are looking for easily.

For the first statement, being that the digital channels allow customers to easily communicate with Kuriftu Resort more effectively, respondents agree and strongly agree with a frequency of 25.1 % and 3.4 % respectively, whilst 8.1% disagree and 62.6 % are neutral.

42.7% and 3.4% agree and strongly agree that the Kuriftu digital platforms are easy to make payments with, 2.8% disagree and 51.1 are neutral.

46.4% and 6.7% agree and strongly agree that digital channels support and promote user interactions, but 6.1% disagree.

60.3% and 13.1% agree and strongly agree that digital channels are easily accessible on all types of technologies (smartphones, laptops, tablets, etc.); 3.4% disagree.

42.2% and 15.9% agree and strongly agree that the digital channels help users find what they are looking for easily, respectively, and 3.4% disagree.

	<b>Frequency</b>	<b>Percent</b>
Strongly Agree	152	42.5
Agree	776	216.7
Neutral	774	216.2
Disagree	88	24.6
Strongly Disagree	0	0
<b>Total</b>	<b>1790</b>	<b>500</b>
<b>Mean</b>	<b>3.5</b>	
<b>Standard Deviation</b>	<b>0.7</b>	

Table 5: Digital Promotion Frequency

Source: Survey Analysis, 2024

Regarding the digital promotion of Kuriftu Resorts, the computed analysis shows the mean of the overall questions to be 3.5, being stated as - agree.

#### 4.2.2.2 Variable 2-Influencer Recommendation

For the question regarding Kuriftu Resorts' influencer recommendations, four questions have been raised to the respondents, and their answers are as follows.

Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
S1	71	19.8	94	26.3	183	51.1	10	2.8	0	0
S2	55	15.4	133	37.2	154	43.0	16	4.5	0	0
S3	12	3.4	92	25.7	224	62.6	30	8.4	0	0
S4	33	9.2	139	38.8	186	52.0	0	0	0	0

Table 6: Influencer Recommendation

Source: Survey Analysis, 2024

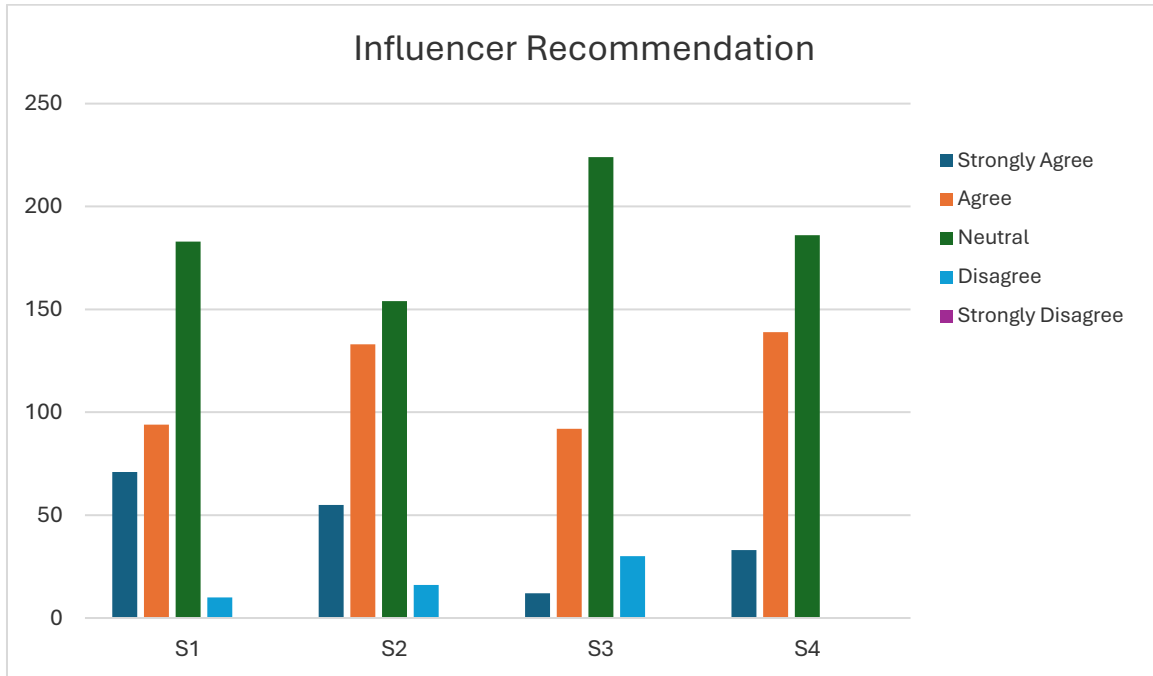


Diagram 4: Kuriftu resorts Influencer Recommendation

Source: Survey Analysis, 2024

- S1- There are trusted influencers using the services of Kuriftu Resorts on the digital platforms.
- S2- The influencers show reliable information.
- S3- The influencers respond to their followers' questions regarding their stay at Kuriftu Resorts.
- S4- The influencers recommend Kuriftu Resorts on their own platforms

For the first statement, being that there are trusted influencers using the services of Kuriftu Resorts on the digital platforms, respondents agree and strongly agree with a frequency of 26.3 % and 19.8 % respectively, whilst 2.8% disagree.

37.2% and 15.4% agree and strongly agree that the influencers show reliable information, and 4.5% disagree.

25.7% and 3.4% agree and strongly agree that influencers respond to their followers' questions regarding their stay at Kuriftu Resorts, but 52% are neutral.

38.8% and 9.2% agree and strongly agree that influencers recommend Kuriftu Resorts on their own platforms and 2.3% strongly disagree.

	<b>Frequency</b>	<b>Percent</b>
Strongly Agree	171	47.8
Agree	458	128
Neutral	747	208.7
Disagree	56	15.7
Strongly Disagree	0	0
<b>Total</b>	<b>1432</b>	<b>400.2</b>
<b>Mean</b>	<b>3.5</b>	
<b>Standard Deviation</b>	<b>0.8</b>	

Table 7: Influencer Recommendation Frequency

Source: Survey Analysis, 2024

In regard to the question of the influencer recommendation of Kuriftu Resorts to customers, the computed analysis shows the mean of the overall questions to be 3.5, being stated as - agree.

#### 4.2.2.2 Variable 3 - Direct Messaging to customers

For the question of Kuriftu Resorts' Direct Messaging to customers, three questions have been raised to the respondents, and their answers are as follows.

Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
S1	24	6.7	42	11.7	229	64.0	51	14.2	12	3.4
S2	52	14.5	54	15.1	189	52.8	51	14.2	12	3.4
S3	24	6.7	88	24.6	204	57.0	42	11.7	0	0

Table 8: Direct Messaging

Source: Survey Analysis, 2024

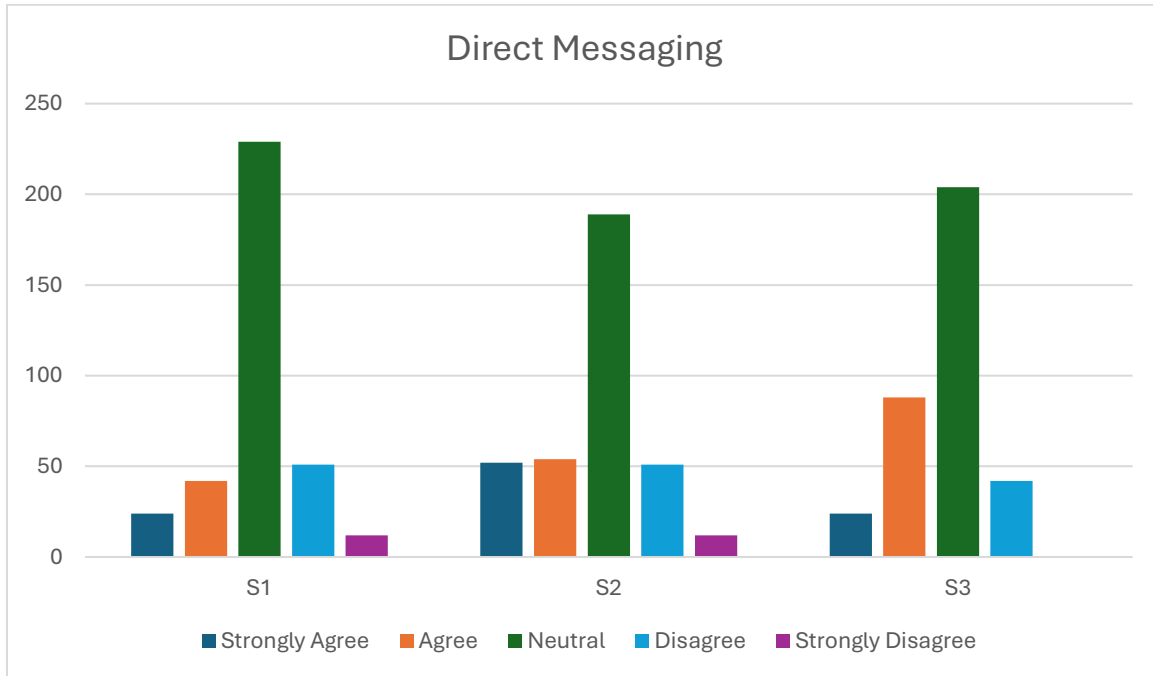


Diagram 5: Kuriftu Resorts Direct Messaging

Source: Survey Analysis, 2024

S1- Kuriftu Resort Directly messages customers to address any questions they may have.

S2- Kuriftu Resorts messages their customers directly to resolve any dissatisfaction the customer may have faced.

S3- Kuriftu Resorts directly messages customers of new events, discounted packages or new businesses.

For the first statement, being that Kuriftu Resort Directly messages customers to address any questions they may have, respondents agree and strongly agree with a frequency of 11.7 % and 6.7 % respectively, whilst 14.2% disagree and 3.4 % strongly disagree.

15.1% and 14.5% agree and strongly agree that Kuriftu Resorts messages their customers directly to resolve any dissatisfaction the customer may have faced, and 14.2% and 3.4% disagree and strongly disagree.

24.6% and 6.7% agree and strongly agree that Kuriftu Resorts directly messages customers of new events, discounted packages or new businesses, but 11.7% disagree.

	<b>Frequency</b>	<b>Percent</b>
Strongly Agree	100	27.9
Agree	184	51.4
Neutral	622	173.8
Disagree	144	40.1
Strongly Disagree	0	0
<b>Total</b>	<b>1074</b>	<b>300</b>
<b>Mean</b>	<b>3.1</b>	
<b>Standard Deviation</b>	<b>0.8</b>	

Table 9: Direct Messaging Frequency

Source: Survey Analysis, 2024

Regarding the question of the direct messaging of Kuriftu Resorts to customers, the computed analysis shows the mean of the overall questions to be 3.1, being stated as - agree.

#### 4.2.2.2 Variable 4- Brand Preference

For the question of Kuriftu Resorts' Brand Preference, four questions have been raised to the respondents, and their answers are as follows.

Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
S1	43	12.0	88	24.6	127	35.5	90	25.1	10	2.8
S2	69	19.3	152	42.4	125	34.9	12	3.4	0	0
S3	34	9.5	213	59.5	89	24.9	22	6.1	0	0
S4	34	9.5	176	49.2	105	29.3	43	12.0	0	0

Table 10: Brand Preference

Source: Survey Analysis, 2024

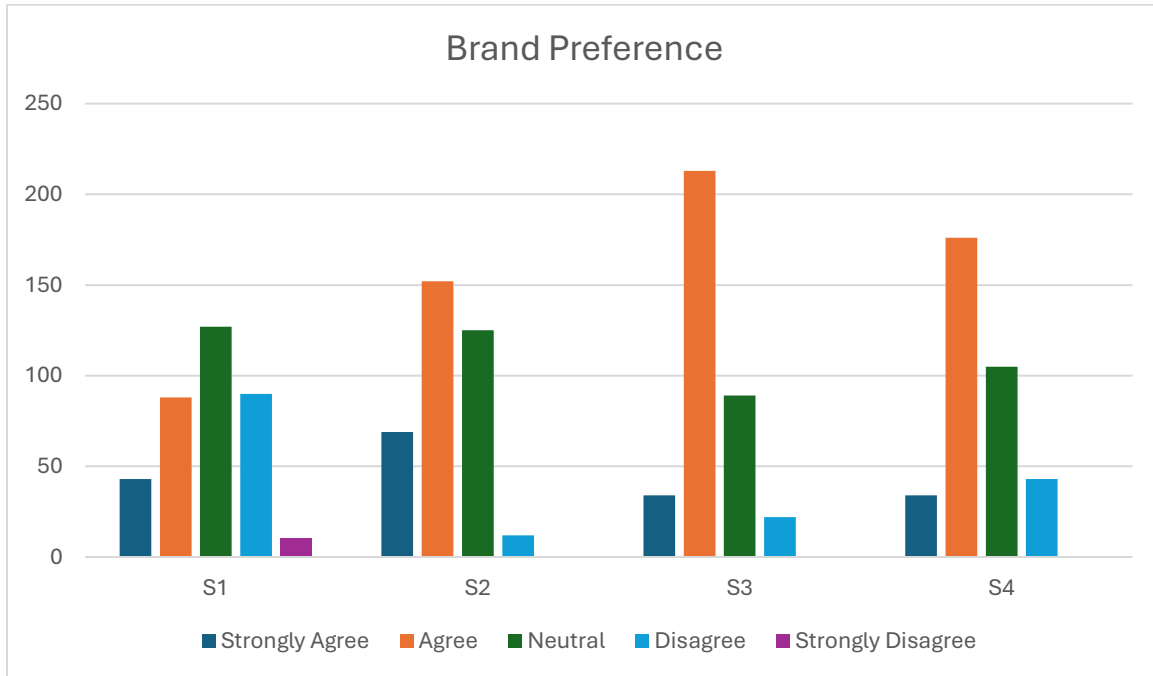


Diagram 6: Kuriftu Resorts Brand Preference

Source: Survey Analysis, 2024

S1- Kuriftu Resorts is my number one vacation destination.

S2- I would recommend Kuriftu Resort to friends and family through the information on the digital platforms.

S3- The digital platforms help increase Kuriftu customer base.

S4- The information on the digital platforms are reminders to why I would choose Kuriftu Resorts repeatedly.

For the first statement, which says Kuriftu Resorts is my number one vacation destination, respondents agree and strongly agree with a frequency of 24.6 % and 12% respectively, whilst 25.1% disagree and 2.8 % strongly disagree.

42.4% and 69% agree and strongly agree that they would recommend Kuriftu Resort to friends and family through the information on the digital platforms, and 3.4% disagree.

59.5% and 9.5% agree and strongly agree that the digital platforms help increase Kuriftu customer's base, but 6.1% disagree.

49.2% and 9.5% agree and strongly agree with the statement that the information on the digital platforms are reminders to why I would choose Kuriftu Resorts repeatedly, and 12% disagree.

	Frequency	Percent
Strongly Agree	180	50.3
Agree	629	175.7
Neutral	446	124.6
Disagree	167	46.6
Strongly Disagree	10	2.8
<b>Total</b>	<b>1432</b>	<b>400</b>
<b>Mean</b>	<b>3.5</b>	
<b>Standard Deviation</b>	<b>0.8</b>	

Table 11: Brand Preference Frequency

Source: Survey Analysis, 2024

In regards to the question of the brand preference of Kuriftu Resorts to customers, the computed analysis shows the mean of the overall questions to be 3.5, being stated as strongly agree.

### 4.3 Regression and Correlation Analysis to Measure the Effect of Digital Marketing Elements on Brand Preference

#### 4.3.1 Correlation Analysis

To examine the relationship between digital marketing elements such as digital promotion, influencer recommendation, and direct messaging with brand preference correlation analysis was undertaken using Pearson Correlation analysis and sig values as below. But, to measure the significant/ relationship level the following measurement values are taken according to Kotrlik, et al., (2011) views, the Correlation coefficient(r) guides includes: from 0.01 up to 0.09 (negligible association); from 0.10 up to 0.29 (low association); from 0.30 up to 0.49 (moderate association); from 0.50 up to 0.69 (substantial association) and from 0.70 and above (very strong association).

		Correlations			
		1	2	3	4
Digital promotion	Pearson Correlation	1	.620**	.624**	.734**
	Sig. (2-tailed)		.000	.000	.000
	N	358	358	358	358
Influencer Recommendation	Pearson Correlation	.620**	1	.377**	.707**

	Sig. (2-tailed)	.000		.000	.000
	N	358	358	358	358
Direct Messaging	Pearson Correlation	.624**	.377**	1	.724**
	Sig. (2-tailed)	.000	.000		.000
	N	358	358	358	358
Brand preference	Pearson Correlation	.734**	.707**	.724**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	358	358	358	358
**. Correlation is significant at the 0.01 level (2-tailed).					

Table 12: Correlation Test

Source: Survey Analysis, 2024

The result in table above shown that, digital promotion has significant relationship with brand preference with ( $r=0.734$ ;  $P: 0.000$ ). The relationship between digital promotion and brand preference was very strong association. Influencer recommendation and brand preference has relationship with ( $r =0.707$ ;  $P=0.000$ ). This fact revealed that, influencer recommendation and brand preference have very strong association.

In addition, direct messaging to customers has significant relationship with brand preference with ( $r=0.724$ ;  $P=0.000$ ). The level of relation was very strong between direct messaging to customers and brand preferences of Kuriftu resort.

The study indicated that, there is very strong association between digital promotion, influencer recommendation and direct messaging to customers with brand preference of Kuriftu resort.

### 4.3.2 Assumption Test

The study has conducted the basic assumption tests such as, multi-collinearity, linearity, normality, autocorrelation and homoscedasticity Test.

Model	Collinearity Statistics	
	Tolerance	VIF
Digital promotion	.439	2.280
Influencer Recommendation	.616	1.624
Direct messaging	.611	1.637
a. Dependent Variable: Brand Preference		

Table 13: Multi-Collinearity Test

Source: Survey Analysis, 2024

As illustrated in the above tables; preliminary analyses were conducted to identify if there are any violations in the assumptions of multi-collinearity. In the evaluation of the tolerance from SPSS, the value shows that digital promotion is 0.439; influencer recommendation is 0.616; and direct messaging is 0.615 which is not less than 0.1 which indicates, that there are no violations for the assumptions. Field (2005) suggests that multi-collinearity would be suspected if tolerance figures are below 0.10 or if VIF statistics are 10.0 or higher. On the other hand, VIF values for digital promotion is 2.280; influencer recommendation 1.624; and direct messaging 1.637 which all are below 10. Based on the result there is no multi-collinearity problem for this study.

### 4.3.3 Normality Test

The study used both methods of assessing normality; graphically using Normal Probability Plot (P-P) graph and numerically using Skewness & Kurtosis. Figure 4.1, depicts that the scores are normally distributed

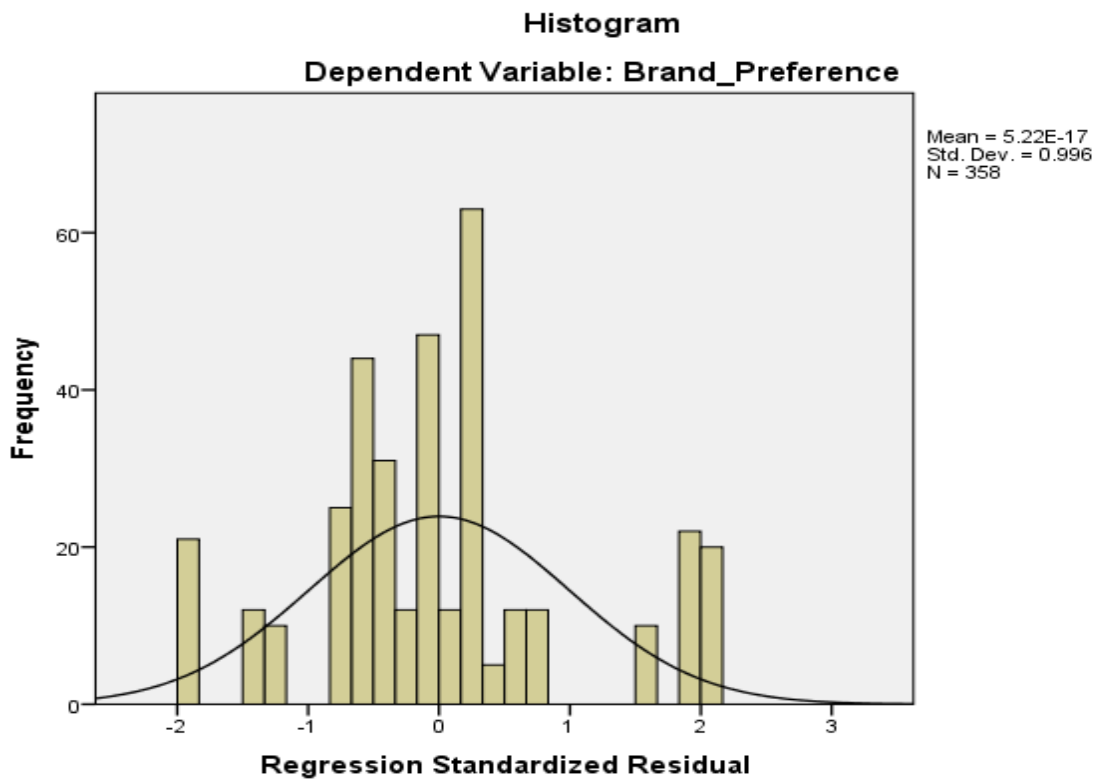


Diagram 7: Histogram

Source: Survey Analysis, 2024

The figure shows there is a normal distribution of brand preferences insured as the result of digital marketing elements such as digital promotion, influencer recommendation, and direct messaging.

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Kuriftu Resorts is my number one vacation destination.	.203	358	.000	.902	358	.000
I would recommend Kuriftu Resort to friends and family through the information on the digital platforms.	.228	358	.000	.851	358	.000
The digital platforms help increase Kuriftu customer's base.	.340	358	.000	.806	358	.000
The information on the digital platforms are reminders to why I would choose Kuriftu Resorts repeatedly.	.289	358	.000	.851	358	.000

Table 14: Normality Test (Lilliefors Significance Correction)

Source: Survey Analysis, 2024

Similarly, Table above, Kolmogorov–Smirnov and Shapiro–Wilk test statistics for testing the normality of data among informants on brand preferences; normality exists if these tests are not significant. Thus, if the significance value (p-value) of these tests is less than 0.05, the data is considered to be normal; otherwise, the normality assumption is violated. Looking at the values of these tests in Table it may be concluded that the scores on brand preferences at Kolmogorov-Smirnov<sup>a</sup> (p 0.000); and Shapiro-Wilk(p:0.000) were less than (p< 0.05) for the scores on all the variables is significant.

### 4.3.4 Variable questions

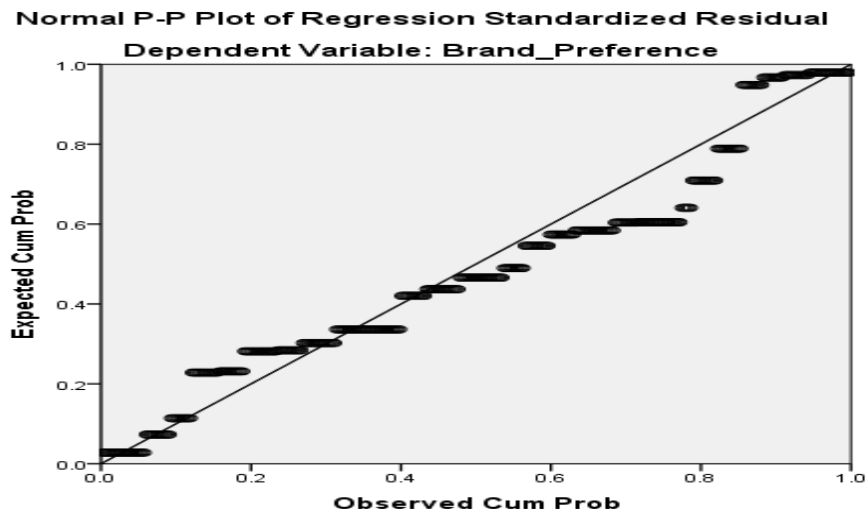


Diagram 8: Linearity Test

Source: Survey Analysis, 2024

It is the relationship between dependent and independent variables and they should be linear with respect to their parameter, checked by the scatter plot of the dependent variable to that of standardized predicted. As it has indicated above, the plot shows that there is approximately brand preferences between digital marketing elements and the set of predictor variables represented by standardized predicted value.

### 4.3.5 Homoscedasticity Test

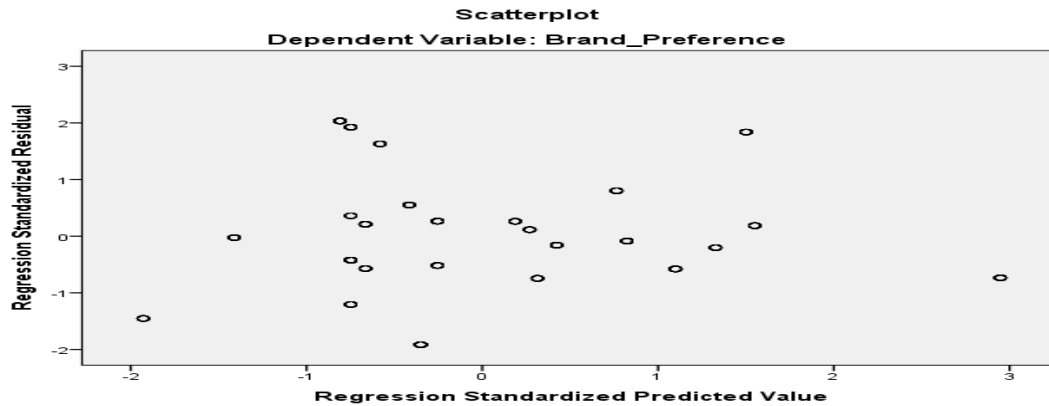


Diagram 9: Scatterplot of residuals and predicted values

Source: Survey Analysis, 2024

The scatter plot (Figure 9 above) shows, how large the standardized residual was for each case at each value of the predicted outcome. The researcher is hoping that this will look pretty random as this would fulfill our assumption of homoscedasticity. The residuals (errors) should not vary systematically across values of the explanatory variable. This can be checked by creating a scatterplot of the residuals against the explanatory variable. The distribution of residuals should not vary appreciably between different parts of the x-axis scale; in this case, there is a lower problem of homoscedasticity. Likely, there is a pattern in the scatter. The width of the scatter as predicted values increase is roughly the same so the assumption has been met.

#### 4.3.6 Regression Model

Brand preferences are heavily influenced by digital marketing elements. In this study linear regression has been undertaken on digital marketing elements such as digital promotion, influencer recommendation, and direct messaging.

Regression analysis is a statistical technique useful for examining and modeling the relationship between variables. Linear regressions are often used to address regression analysis issues that result in relationships of two or more free variables.

The model of the linear regression equation is as follows:  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$

Were:

$\hat{Y}$  = brand preferences

X1 = Digital promotion

X2 = Influencer recommendation

X3 = Direct messaging

$\beta$ : Regression coefficient of the independent variables

$\epsilon$  =error term

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.873 <sup>a</sup>	.761	.759	1.27740
a. Predictors: (Constant), Direct messaging, Influencer recommendation, Digital promotion				
b. Dependent Variable: Brand Preferences				

Table 15: Model Summary

Source: Survey Analysis, 2024

R is the square root of R<sup>2</sup>, which indicates the strength and the direction of the linear relationship between the dependent variable such as brand preferences with digital marketing elements such as digital promotion, influencer recommendation, and direct messaging as independent factors are positively correlated, and the strength of a relationship is strong at 0.873.

The R-square in at data analysis is 0.761, which suggests that brand preferences and the dependent variables and the independent variables like digital promotion, influencer recommendation, and direct messaging can have a determinant effect on brand preferences with 76.1% of the variance; while 23.9% (100%- 76.1%) of the variation is caused by the factors other than the predictors included at this model (which remains unexplained).

The adjusted R<sup>2</sup> = 0.759 gives the idea of how well the model generalizes. The difference between the R<sup>2</sup> and adjusted R<sup>2</sup> is 0.761-0.759= 0.002; it means if the model was derived from the population rather than a sample it would account for approximately 0.2% less variance in the outcome. Adjusted R<sup>2</sup> will always be less than or equal to R<sup>2</sup> as a result, the model was fit for this study because the Adjusted R<sup>2</sup> (0.759) is less (<) than R<sup>2</sup> (0.761).

The standard error (1.27740) of a model fit is a measure of the precision of the model. It is the standard deviation of the residuals. It shows how wrong one could be if s/he used the regression model to make predictions or to estimate the dependent variable or variable of interest. As R<sup>2</sup> increases the standard error will decrease. On average, our estimates brand preferences with this model will be wrong by 1.27740 which is not an ignorable amount given this model.

<b>ANOVA<sup>a</sup></b>
--------------------------

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1843.705	3	614.568	376.634	.000 <sup>b</sup>
	Residual	577.635	354	1.632		
	Total	2421.341	357			
a. Dependent Variable: Brand Preference						
b. Predictors: (Constant), Direct messaging, Influencer Recommendation, Digital promotion						

Table 16: ANOVA Table

Source: Survey Analysis, 2024

The F-value of the ANOVA Table above measures the statistical significance of the model. Here, the F-value is considered statistically significant at  $p < 0.000$  and it can be observed that the outputs from the analysis are not due to chance alone.

The F-test, the linear regression's F-test  $F(3,354) = 376.634$  and 357 degrees of freedom the test is highly significant, thus it can be assumed that there is a linear relationship between the variables in the model.

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.058	.469		-.124	.901
	Digital promotion	.189	.037	.201	5.132	.000
	Influencer Recommendation	.456	.036	.416	12.586	.000
	Direct messaging	.477	.036	.441	13.283	.000
a. Dependent Variable: Brand Preference						

Table 17: Coefficient Table

Source: Survey Analysis, 2024

Based on the table above, linear regressions are obtained as follows:  $Y = -0.058 + 0.189 X_1 + 0.456 X_2 + 0.477 X_3 + \epsilon$

In the study, the interpretations of linear regression equations are:

- If everything on free variables is considered zero then brand preference value (Y) is -0.058.
- In the event of a digital promotion increase of 1, brand preference (Y) will increase by 0.189.

c. In the event of an increase in influencer recommendation by 1, brand preference (Y) will increase by 0.456.

d. In the event of a direct messaging increase of 1, brand preference (Y) will increase by 0.477.

This study result demonstrated that all digital marketing elements such as digital promotion, influencer recommendation, and direct messaging have significant effects on the brand preference of Kuriftu Resort.

Additionally, among digital marketing elements, direct messaging ( $\beta = 0.441$ ,  $t = 13.283$ ,  $p < .000$ ) had the highest, strong and positive standardized beta value coefficient. This indicates that direct messaging has significant and positive effects on the brand preference of Kuriftu Resort.

The other variable is influencer recommendation with ( $\beta = 0.416$ ,  $t = 12.586$ ,  $p = 0.000 < 0.05$ ). The result thus indicated that the higher influencer recommendation practices can cause the higher brand preference of Kuriftu Resort.

Among the tested predictors, digital promotion with ( $\beta = 0.201$ ,  $t = 5.132$ ,  $p = 0.0000$ ,  $< .000$ ), implies digital promotion has significant effects on the brand preference of Kuriftu Resort

Based on regression test results, from digital marketing elements, the first effect for brand preference of Kuriftu resort was direct messaging, followed by influencer recommendation and the third was a digital promotion at the study area.

## 4.4 Discussion

The study findings indicate that the majority of the respondents (76.5%) are aged 18-30, and the majority of the respondents (40.8%) spend 2-4 hours on digital platforms. Moreover, 17.3% of the respondents go on vacation once a month while the majority (52.2%) go on vacation once a year.

The study aimed to understand the relationship between Digital marketing elements and Brand preference. This study focused on the digital marketing elements; digital promotion, influencer recommendation, and direct messaging in the case of Kuriftu Resorts. It aimed to study how customers have been influenced by the content and engagement on Kuriftu Resorts' digital platforms to prefer the brand. The research looked at independent and dependent variables and how the dependent variable is affected by the independent variables.

The dependent variable is brand preference, and the independent variables are digital promotion, influencer recommendation, and direct messaging. The research shows that these independent variables play a role in the customers' relationships with Kuriftu Resorts. The application of these variables on the Kuriftu Resort digital platform is a marketing strategy that has been implemented to sway the preferences of consumers in choosing the brand, and as per the responses, it is shown to be an effective tool.

# CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

## 5.1 Introduction

This chapter covers the findings, analysis conclusions, and recommendations that can help brands create effective digital marketing strategies to increase their brand preference.

## 5.2 Summary

Based on the analysis, these were the major findings in the case of Kuriftu Resorts are:

- Digital channels allow customers to easily communicate with Kuriftu Resort more effectively, are easy to make payments with support and promote user interactions, are easily accessible on all types of technology (smartphones, laptops, tablets, etc.), and support and promote user interactions.
- Trusted influencers use the services of Kuriftu Resorts and promote it on digital platforms, influencers show reliable information, influencers respond to their followers regarding their stay at the resort, and influencers recommend Kuriftu Resorts on their platforms.
- Kuriftu Resorts directly messages their customers to address any questions they may have, to resolve any dissatisfaction the customer may have faced, and to notify customers of new events, discounted packages, or new businesses.
- The majority of the respondents agree that Kuriftu Resorts is their number one vacation destination. They would recommend Kuriftu Resort to friends and family through the information on digital platforms. The digital platforms help increase Kuriftu's customer base. The information on the digital platforms is a reminder of why they would choose Kuriftu Resorts repeatedly.

The study proves the following:

Kuriftu Resorts' digital promotion to customers positively affects its brand preference.

- Agree

Kuriftu Resorts' influencer recommendation positively affects its brand preference.

- Agree

Kuriftu Resorts' direct messaging to customers on its digital platform positively affects its brand preference.

- Agree

## 5.3 Conclusion

The study assessed the effects of digital marketing on brand preference. The study was focused on Kuriftu Resorts, a leading brand in hospitality that has been in the industry for almost 20 years. Kuriftu Resorts has created brand awareness in the early stages and is now working on brand equity to stand out and always be preferred by consumers.

The study's major findings, as well as the literature assessment, indicate that in a world that is continuously evolving in technology, digital marketing is an effective tool to increase brand preference.

Kuriftu Resorts implements different strategies to stay relevant and, as per the research findings, it has shown that these tools are working.

Finally, technology is evolving at a fast pace and is making consumers' lives easier. Everyone has an opportunity to look at the information they need within seconds. It is only realistic that to stay relevant, brands need to strategize on each element to make themselves the number one brand in the consumers' minds.

## 5.4 Recommendations

The researcher offers the following recommendations to increase brand preference through digital marketing.

- As seen in the analysis above direct messaging has the highest magnitude in affecting brand preference. As such brands should work towards investing in that strategy.
- Influencer recommendation having the second highest magnitude serves as the modern-day word of mouth carrying a high magnitude towards increasing brand preference. And digital promotion carries a great impact in creating preference amongst brands in a consumer's mind. As such brands should invest in the elements to push their brands.
- Digital marketing carries a magnitude of effect in creating brand preference amongst consumers, the study shows how that is seen. Following the study findings, it is recommended that brands have a separate department that works toward digital marketing to always be the preferred brand.

The study shows that although the mean landed to be agreeing on the Hypothesis with a number of responses landing in neutral, this shows their needs to be extra effort into working towards the making the digital marketing strategies very customer centric.

Digital marketing is a vast subject and has a lot of elements that can be applied to increase brand preference. Every brand should have a separate department that handles these. The department can start with an assessment of their current strategies, their effectiveness, and their brands' standing within consumers and the market.

The organizations can provide workshops and training to the department to further their knowledge in the digital marketing team.

Technological advancements are key to the success of digital marketing, so organizations can update their technologies to accommodate their needs.

Different companies are emerging that focus on and specialize in digital marketing and its elements. Organizations can make use of them and outsource their digital marketing needs if necessary.

As a result, Kuriftu Resort can use the findings as input when assessing their strategies as well as when working on a new strategy.

## 5.4 Limitation

Further research is needed to be done for Kuriftu Resorts to study their consumers externally and their digital media platforms internally, to understand ways to create a better experience for consumers on the platforms. Additionally, as the research focuses on one resort future studies should be held to understand the hospitality industry on a larger scale.

The research studied three elements of digital marketing as independent variables to assess their effects on brand preference. Various studies can be conducted to assess additional elements of digital marketing.

As stated in the initial pages of this research digital marketing is an evolving concept and what applied to affecting brand preferences previously have changed to the elements in this research and will change in the future. To keep up-to-date with the changing and evolving ways new research should be done.

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## Appendix - 1

### **Survey Questionnaire**

Addis Ababa University  
School Of Commerce  
Department Of Marketing Management

### Self-Report Questionnaire

Dear Respondent,

I am a postgraduate researcher at Addis Ababa University, School of Commerce. I am conducting a study on Analyzing the effect of digital marketing on brand preference in the case of Kuriftu Resorts and I would like to know your experiences with brand preference being affected by elements such as; digital accessibility, digital customer relationship management,

authenticity and consistency of information and service on the digital platforms, and call to action of Kuriftu Resorts the digital marketing. Please complete this 5-minute survey. Your responses are anonymous and you can skip any questions you are not comfortable with.

**Part I – Demographic Variables**

1	Gender	<input type="checkbox"/> Female	<input type="checkbox"/> Male				
2	Age	<input type="checkbox"/> 18-30	<input type="checkbox"/> 31-40	<input type="checkbox"/> 41-60	<input type="checkbox"/> above 60		
3	Education Level	<input type="checkbox"/> High School	<input type="checkbox"/> Bachelor's Degree	<input type="checkbox"/> Master's Degree	<input type="checkbox"/> Ph.D. or higher		
4	Work Experience	<input type="checkbox"/> 0-2 years	<input type="checkbox"/> 2-4 years	<input type="checkbox"/> 4-7 years	<input type="checkbox"/> 7+ years		
5	What industry do you work in?	<input type="checkbox"/> Education	<input type="checkbox"/> Marketing	<input type="checkbox"/> Hospitality	<input type="checkbox"/> Health	<input type="checkbox"/> Civil society	<input type="checkbox"/> Private
6	How many hours do you spend on digital platforms (Email, Instagram, Facebook, TikTok, LinkedIn, YouTube, Google, etc...)?	<input type="checkbox"/> 0 - 1 hour	<input type="checkbox"/> 2-4 hours	<input type="checkbox"/> 4-7 hours	<input type="checkbox"/> 7+ hours		
7	How often do you go on vacations?	<input type="checkbox"/> Every weekend	<input type="checkbox"/> Once a month	<input type="checkbox"/> Once every 6 months	<input type="checkbox"/> Once every year		
8	What type of vacations do you usually take?	<input type="checkbox"/> Solitude	<input type="checkbox"/> Couples / Romantic	<input type="checkbox"/> Family	<input type="checkbox"/> Friends		

9	Have you ever been to any of the Kuriftu Resorts destinations?	___ Yes	___ No				
10	How often do you go to Kuriftu Resorts?	___ Every weekend	___ Once a month	___ Once every 6 months	___ Once every year		
11	Which destination do you enjoy the most?	___ Kuriftu Resort Bishoftu	___ Kuriftu Waterpark	___ Kuriftu Resort Entoto	___ Kuriftu Resort Lake Tana	___ Kuriftu Resort Awash Falls	

**Part II – Kuriftu Resorts' Digital Promotion**

Digital platforms include (Instagram, Facebook, and Corporate Website) Considering your current digital activities, give your rating against each of the following statements. Please give your score on each statement

No	Kuriftu Resorts' Digital promotion	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The digital channels allow customers to easily communicate with the Kuriftu Resort more effectively.					
2	The different digital platforms are easy to make payments with.					

3	The digital channels support and promote user interactions.					
4	The digital channels are easily accessible on all types of technologies (smartphones, laptops, tablets, etc...).					
5	The digital platforms are designed to help users find what they are looking for easily.					

**Part III – Influencer recommendation**

Digital platforms include (Instagram, Facebook, and Corporate Website) Considering your current digital activities, give your rating against each of the following statements. Please give your score on each statement

No	Influencer Recommendation	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	There are trusted influencers using the services of Kuriftu Resorts on the digital platforms.					
2	The influencers show reliable information.					
3	The influencers respond to their followers questions regarding their stay at Kuriftu Resorts.					
4	The influencers recommend Kuriftu Resorts on their own platforms					

**Part IV – Kuriftu Resorts' Direct Messaging to customers**

Digital platforms include (Instagram, Facebook, and Corporate Website) Considering your current digital activities, give your rating against each of the following statements. Please give your score on each statement

No	<b>Kuriftu Resorts' Direct Messaging to customers</b>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Kuriftu Resort Directly messages customers to address any questions they may have.					
2	Kuriftu Resorts messages their customers directly to resolve any dissatisfaction the customer may have faced.					
3	Kuriftu Resorts directly messages customers of new events, discounted packages or new businesses.					

**Part V – Kuriftu Resorts' Brand Preference**

Considering Kuriftu , give your rating against each of the following statements? Please give your score on each statement

No	<b>Kuriftu Resorts' Brand Preference</b>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Kuriftu Resorts is my number one vacation destination.					
2	I would recommend Kuriftu Resort to friends and family through the information on the digital platforms.					

3	The digital platforms help increase Kuriftu customer's base.					
4	The information on the digital platforms are reminders to why I would choose Kuriftu Resorts repeatedly.					

Thank you for your participation.

## Appendix - 2

		<b>Correlations</b>			
		1	2	3	4
Digital promotion	Pearson Correlation	1	.620**	.624**	.734**
	Sig. (2-tailed)		.000	.000	.000
	N	358	358	358	358
Influencer Recommendation	Pearson Correlation	.620**	1	.377**	.707**
	Sig. (2-tailed)	.000		.000	.000
	N	358	358	358	358
Direct Messaging	Pearson Correlation	.624**	.377**	1	.724**
	Sig. (2-tailed)	.000	.000		.000
	N	358	358	358	358

Brand preference	Pearson Correlation	.734**	.707**	.724**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	358	358	358	358
**. Correlation is significant at the 0.01 level (2-tailed).					

Table 12: Correlation Test

Source: Survey Analysis, 2024

Model	Collinearity Statistics	
	Tolerance	VIF
Digital promotion	.439	2.280
Influencer Recommendation	.616	1.624
Direct messaging	.611	1.637
a. Dependent Variable: Brand Preference		

Table 13: Multi-Collinearity Test

Source: Survey Analysis, 2024

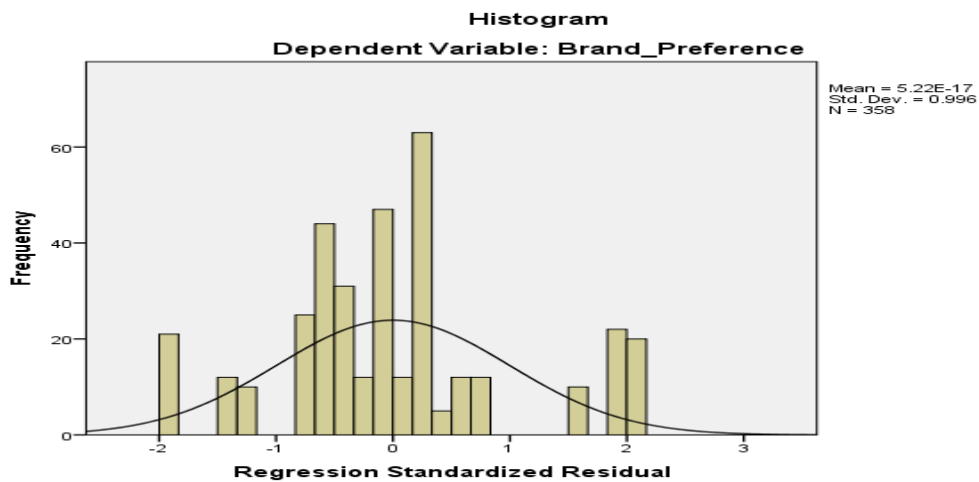


Diagram 7: Histogram

Source: Survey Analysis, 2024

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.

Kuriftu Resorts is my number one vacation destination.	.203	358	.00 0	.902	358	.00 0
I would recommend Kuriftu Resort to friends and family through the information on the digital platforms.	.228	358	.00 0	.851	358	.00 0
The digital platforms help increase Kuriftu customer's base.	.340	358	.00 0	.806	358	.00 0
The information on the digital platforms are reminders to why I would choose Kuriftu Resorts repeatedly.	.289	358	.00 0	.851	358	.00 0

Table 14: Normality Test (Lilliefors Significance Correction)

Source: Survey Analysis, 2024

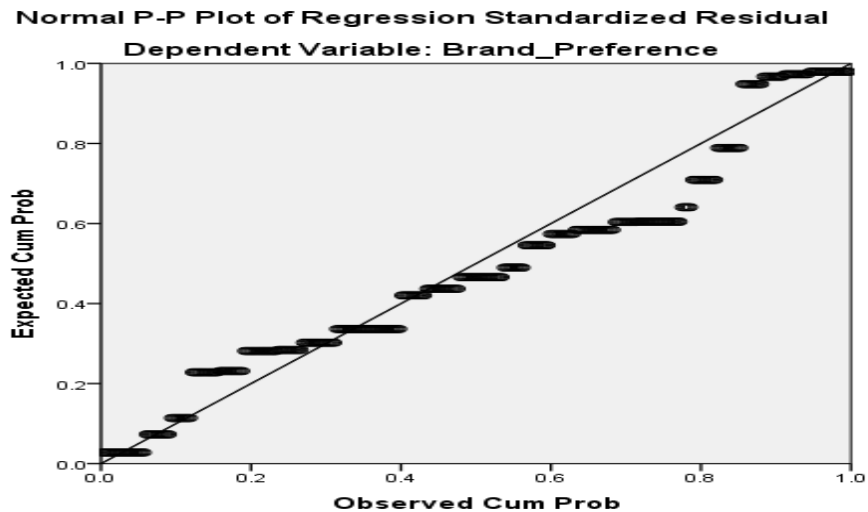


Diagram 8: Linearity Test

Source: Survey Analysis, 2024

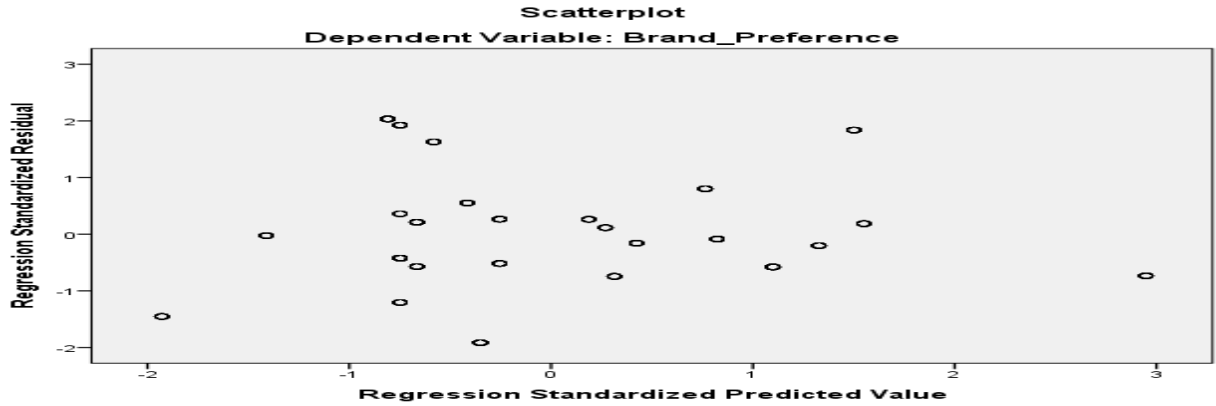


Diagram 9: Scatterplot of residuals and predicted values

Source: Survey Analysis, 2024

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.873 <sup>a</sup>	.761	.759	1.27740
c. Predictors: (Constant), Direct messaging, Influencer recommendation, Digital promotion				
d. Dependent Variable: Brand Preferences				

Table 15: Model Summary

Source: Survey Analysis, 2024

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1843.705	3	614.568	376.634	.000 <sup>b</sup>
	Residual	577.635	354	1.632		
	Total	2421.341	357			
a. Dependent Variable: Brand Preference						
b. Predictors: (Constant), Direct messaging, Influencer Recommendation, Digital promotion						

Table 16: ANOVA Table

Source: Survey Analysis, 2024

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	-.058	.469		-.124	.901
	Digital promotion	.189	.037	.201	5.132	.000
	Influencer Recommendation	.456	.036	.416	12.586	.000
	Direct messaging	.477	.036	.441	13.283	.000
a. Dependent Variable: Brand Preference						

Table 17: Coefficient Table

Source: Survey Analysis, 2024