



**THE EFFECT OF ELECTRONIC MARKETING ON
CUSTOMER SATISFACTION: THE CASE OF FOUR
STAR HOTELS IN ADDIS ABABA**

BY

ADAM MENBERU

June, 2017

ADDIS ABABA



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ADAM MENBERU

**A Thesis Submitted to the School of Graduate Studies of Addis Ababa University
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List of Acronyms

A.A	Addis Ababa
B2C	Business to Consumer
B2B	Business to Business
C2C	Consumer to Consumer
C2B	Consumer to Business
DNI	Digital, Networked and Interactive
E-Marketing	Electronic Marketing
IT	Information Technology
ICT	Information Communication Technology
MoCT	Ministry of Culture and Tourism
NTDC	Nigerian Tourism Development Corporation
SEO	Search Engine Optimization
SPSS	Statistical Package for Social Science
USA	United States of America

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Abstract

The main objective of this study was to examine the effect of e. marketing on customer satisfaction towards the service provided by four star hotels in Addis Ababa Ethiopia A researcher used a probability technique which is systematic for the study a total of 260 questioner were distributed to customer of the four international hotels which rated as four star in Addis Ababa the response rate 241 participants was collected which is 92.7 percent response rate achieved and descriptive statics were used firstly to illustrate the main features of a data set in quantitative terms .The mean value for all variable ranged from 3.33 to 3.57, the standard deviation 0.651 to .736 kurtosis and skewness test demonstrated as the distribution was normal. The correlation analysis illustrated the relation between location facet and customer satisfaction was moderate correlated ($r=0.482$), the relation between technological facet and customer satisfaction was moderate correlated the relation between location facet and customer satisfaction was moderate correlated ($r=0.397$), the relation between social skill and customer satisfaction was moderate correlated($r =0.477$), the relation between motivation and customer satisfaction was strong correlated ($r=0.635$), the relation between technical skill and customer satisfaction was strong correlated ($r= 0.68$) and all were tested as statically significant($sig.(2-taild)=000$).The final test was done by regression analysis the result indicated that the effect of location facet, technological facet, and social skill over all in significant($sig. 0.177, 0.105, and 0.892$ respectively) the effect of motivation($sig. 000$) and technical

skill(sig.000) the major finding Location facet, technological facet, and social skill are insignificant and also rejected on the other hand the two of the variables (motivation and technical skill) have a significance, positive and also supported influence on customer satisfaction. From the whole variables technical skill has higher positive influence on customer satisfaction.

Consequently, the researcher recommend for the management of the hotel to focus on the above Statistically significant factors in order to satisfy their customers' as well to make them loyal.

Key Words: *Customers' hotel Selection Factors, Customer Satisfaction*

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

Before trying to define the term of “e-marketing” (or electronic marketing, so to speak), we should first take a look at the premises of its apparition and development.

The theories concerning e-marketing have not been unified yet, due to a large diversity in specialists’ opinions. Still, one of the aspects that is established and has ceased being discussed in contradictory is the fact that electronic marketing first appeared under the form of various techniques used by companies distributing their products through online channels (Internet – based). That happened back in the pioneering age before 1995. It is usually considered that the pioneering age lasted until 1995, followed, from April 1995 until April 2000, by a “boom” of dotcoms. Today we live a period of recession that has not ended yet.

These companies that opened the road were called “e-tailers”, as opposed to the traditional retailers (also known as brick-and-mortar retailers). During their limited life, these electronic retailers (we will use the term of e-tailers” from now on) began to develop and frenetically introduced new marketing techniques based on the support offered by the internet. Thus, one might say that the marketers assisted the creation of a new marketing world and not just merely adding a new dimension.

Preoccupied with gaining new and new customers and conquering new markets, the e-tailers had profit as the sole purpose. They did not give importance to the long-term implications of their actions nor did they anticipate their premature death. The e-marketers who started the “war” against their traditionalist brothers were left with no time and energy to systemize their instruments and techniques. This is the reason why, not even nowadays, we cannot find a fluent systematic approach of the e-marketing techniques and their interactions and effects. The e-tailers, in their fever, have left behind an incredible “soup” of techniques that slowly begins to get cleared and shaped. (Krishnamurthy, 2006).

The e-tailers have the merit of being the ones to apply sufficient pressure upon those who were in charge of developing online technologies. Consequently, it is due to the e-tailers that internet communication is today free of almost any physical barrier, and existing ones are easy to surpass compared to the past decade.

While the online technologies mentioned above developed in the context created by the e-tailers, they are widely used these days by B2C and B2B organizations. In other words, they evolved towards what we call now e-marketing (you can also spell it e-Marketing if you wish, the “e-“goes in both cases for electronic”). (ibid)

Especially when we have in mind an international environment, it became out of the question to develop a complete marketing plan without melting the e-marketing into the traditional one. Today’s biggest challenge of the marketing professionals is how to combine the classic with the modern and obtain a unitary, comprehensive and most of all, efficient* marketing strategy.(ibid)

At the end of our discussion about the “birth” of electronic marketing, you might find as extremely useful and suggestive the perspective offered by the e -Marketing Association. You heard a lot, especially over the past 2 years, about the decline of online businesses (or the decline of dotcoms), but this temporary difficulty can be viewed as a similarity to the impasse of Columbus during his expedition that made him famous more than half millennium ago. The initial business plan” with which Columbus started this trip (that of bringing the Asian resources in his country and getting fabulously rich) was a complete disaster: catastrophic estimations, not enough resources allocated, total lack of information upon the environment he will develop his “business” in, but... he discovered America instead and changed the world for ever. In a similar manner, we can say that the dotcoms, despite their terrible strategies (if any), discovered” by mistake the world of e-marketing.

As we already noticed, defining e-marketing is still highly problematic. Still, what do we mean when we use this term? As many other English words, the term was born by adding the prefix “e-“ to a term already known and used, in this case marketing”. The prefix “e-“ is actually the extreme contraction of the word electronic” and is quite omnipresent in today’s language of many people: e-marketing”, “e-business”, “e-mail”, “e-learning”, “e-commerce”, “e-“, e-“, e-“...

The simplest definition of e-marketing could be that suggested by Mark Sceats: the marketing that uses internet as manifestation channel.

A more comprehensive, practical definition is the one formulated by specialists of CISCO Company: e-marketing is a generic term utilized for a wide range of activities – advertising, customer

communications, branding, fidelity programs etc. – using the internet. More than the simple development of a website, the e-marketing focuses on online communications, direct dialog with consumers who thus participate to the creation of new products, finding efficient methods to win customer's fidelity and ease their business-making process. E-marketing is the sum of activities a company makes with the purpose of finding, attracting, winning and retaining customers.

At last, for those of you interested in a more scientific approach, we could say that e-marketing allows relational exchanges in digital, networked and interactive environments (acronym: DNI environments). Earlier in the history of e-marketing, it was conceptualized as being focused upon the exchanges, but today's theoreticians suggest the exchange paradigm is a limited modality to define e-marketing.(ibid)

In early 90's, the marketing theory re-oriented towards the relational exchanges paradigm, mainly because marketing used to give more importance to gaining new customers rather than retaining the existing ones. Studies performed have indicated that the major economic benefits come from raising fidelity among customers as a result of customer retention. This is the perspective that led to the apparition of the relational marketing, which is based on the necessity of developing interactions with individual customers. The marketing management advanced by Philip Kotler promotes the idea of the transactional marketing being included into a larger concept, that of relational marketing. Such an enlarged perspective would see marketing as a relation made of continuous series of interactive collaborations with each individual customer. (Krishnamurthy, 2006).

A second impact upon the marketing philosophy would be the reality of the internet-based interactions. In the online world, consumers are able to initiate interactions at any time, from anywhere, before or after the act of exchange itself, which means, in other words, that the exchange paradigm is highly restrictive as far as e-marketing is concerned. Additionally, most interactions generated from websites tend to be personalized, at least at a minimal level such as recognizing a visitor by using cookies ("cookie" = specialized file resident in the computer's memory, containing information about the websites accessed). The relational marketing became efficient on a large scale due to the relatively low cost of the new database technologies and the multitude of applications designed to work over the internet.

In conclusion, the tendencies concerning the relational character of the e-marketing show that, from now on, marketing should be defined from a relational perspective rather than transactional

Electronic Marketing is a new marketing phenomenon and philosophy that is rapidly growing in a very dynamic way. In the era of globalization and technology, the way of communicating among

people has changed. These changes also appeared in the way of how businesses are among the nations. In recent years, increasing numbers of business have been using the Internet and other electronic Medias in their marketing efforts, which are giving the high chances for electronic marketing to grow. The most interesting issue in business relation is marketing: because of the unique relation between the producers and consumers. In marketing, trades cannot be made without the producers and consumers finding each other. This is the reason as why the marketing tactic helps humans reach their needs of eliminations (Krishnamurthy, 2006).

Internet marketing is a form of targeted marketing plan. It takes advantage of the internet to sell products of business and provide services to consumers by attracting users of internet through the different avenues of internet advertisements. Marketing is a story in which it has been used to encourage and convince customers to trade. Marketing has two basic methods: traditional and modern. Traditional marketing uses the method of speaking to attract more customers to purchase the good and services that are provided by business. Modern marketing uses the modern facilities and technologies of the 21st century, such as the Internet, to attract consumers. Electronic Marketing (E-Marketing) is one of the methods of the modern day marketing. E-Marketing refers to use of Internet or Web, and related information technologies to conduct marketing activities (Krishnamurthy, 2006).

The hotel industry has a long colorful history beginning with inns, and lodges, and eventually evolving into the hospitality industry (Kasavana and Brooks, 2001). A tremendous change in the tourism industry has brought significant change in the hotel business. This means that the expansion and development of travel has contributed a lot to the development of the hotel industry. Among the changes in the hotel industry, Ethiopia's hotel industry has expanded and developed drastically into a new level of the hotel business, considering Ethiopia is one of the main attractions for tourists around the world.

Hotels are magnificent works of architecture, true landmarks in their community. They are also a part of a very competitive industry, and this affects how they need to be managed in terms of the services they provide for their customers or guests. Hotels are labor-intensive business, where many employees provide service to many guests, and the services provided are a very personal nature (Nebel, 1991).

Most of the hotels in Ethiopia are based in the capital city, Addis Ababa. They are located around the Bole International Airport, which is located in the South East of the capital city. The researcher selective hotels are a four star hotel conveniently located at the heart of Bole, Friendship International Hotel is a luxurious 4-star hotel located in Addis Ababa. And also Siyonat is a newly opened hotel located just 2- minutes' drive away from Bole International Airport. New hotels are

opening at a fastest rate in Addis Ababa. These new hotels will soon open their doors to provide services for guests.(<http://www.frendship hotel.com>(Accessed,17May2014)

1.2 Statement of problem

Globally, the hotel sector is exploiting the e-marketing potential to market and expand its border lines. This is because e- marketing offers hotels a channel to display their services to potential customers. However most of the general managers and Marketing managers in Ethiopia overlooked the benefit of internet marketing to develop new target markets and to deprive strategy hence only few (or almost none) of the hotels have utilized the Internet to attract potential target market. Rather they preferred to clutter with newspapers, TV, radio etc. According to 2013 report of MOCT, over90% of the guests of hotels in Ethiopia is foreign tourists. (Tourism Statistics Bulletin 2009-2012, 2013)

Electronic marketing plays a vital role to increase company exposure and customer base. Hotels exert high effort to build huge client basis and to realize this, they use electronic Marketing as a tool. Nevertheless, in Addis Ababa most of the hotels are not promoting on Internet, which the researcher evidenced through Search Engine Optimization (SEO) Technique/tool beside industrial observation during managerial meetings within the Addis Ababa Hotels Association also in different seminars that MoCT organized.

Electronic Marketing (E-Marketing) refers to the use of the Internet and digital media capabilities to help sell products or services. These digital technologies are a valuable addition to traditional marketing approaches regardless of the size and type of business. E-Marketing is also referred to as Internet marketing (I-marketing), online marketing or Web-Marketing. E-Marketing is creating a strategy that helps businesses deliver the right messages and product or services to the right audience. It consists of all activities and processes with the purpose of *finding, attracting, winning, and retaining* customers. E-Marketing is deemed to be broad in scope, because, not only refers to marketing and promotions over the Internet, but also includes marketing done via e-mail and wireless Medias. In Ethiopia most private and government hotels are not yet practicing E-marketing. Most of the hotels have not used or practice on E-Marketing because of the following problem: (Grybniak, 2014)

- Hotels' information system is not computerized and it is difficult to run the company competitively, efficiently, and profitably.
- Lack of financial capability or resources.
- Lack of knowledge or skill about the usage.

- Lack of awareness about the overall benefit of E-Marketing for an organization and customers.

However, e-marketing is still a relatively new concept, particularly for organizations operating in developing countries that have limited resources, bad infrastructure, and strong competition and cannot afford to make unwise investments or wrong decisions like the Ethiopian business organizations operate. Therefore, there is a need to have a much clearer understanding of E-marketing implementation, problems as well as its opportunities for such organizations; and how these technologies can be used to carry out the organization marketing activities and processes in a more effective and efficient way than reliance on traditional marketing practices. Since, hotels more dependent on foreign customers almost all the big hotels like four star hotels, they have to provide the necessary information needed by the customers to keep happy and more comfortable for their customer in order to get the benefit they want to get out the customer. In contacting or booking system E-marketing plays a great role for both the firms and customers for more flow of information. (ibid)

Empirical Study conducted by Sisay (2016) suggested that e-marketing and customer satisfaction in four star hotels would be strongly affected by level of information. He further noted that local and foreign users complain about the lack of full information in which the hotels provide in their website. Since, there are no adequate empirical evidence that show the effect of E-marketing on customer satisfaction in the hotel industry conducted in Ethiopia considering elements of marketing mix and the motivation behind all the effects of E-marketing on customer satisfaction in hotel industries drive the researcher to conduct this study, indeed. Furthermore, previous study paid no attention to other effects like Location and Technological facets, social skill, Motivation and Technical skill on customer satisfaction. Hence this paper gives a better understanding about How Location facets and Technological facets, social skill, Motivation and Technical skill affect customer satisfaction in four star hotels in Addis Ababa.

1.3. Research Question

The paper has the following main and sub research questions to address the objectives of Electronic Marketing in the hotel industry four star hotels in Addis Ababa.

Main Research Question

How does e-marketing influence customer satisfaction in four star hotels in Addis Ababa?

Sub Research Questions

- How does a Location facet affect customer satisfaction in four star hotels in Addis Ababa?
- How does a Technological facet affect customer satisfaction in four star hotels in Addis Ababa?
- How does Social skill affect customer satisfaction in four star hotels in Addis Ababa?
- How does Motivation affect customer satisfaction in four star hotels in Addis Ababa?
- How does Technical skill affect customer satisfaction in four star hotels in Addis Ababa?

1.4 Objective of the study

1.4.1 General objective

The general objective of the study is, to examine the effects of Electronic Marketing on customer satisfaction in four star hotels in Addis Ababa.

1.4.2 Specific objective

The specific objectives of the study are:-

- To examine the effects of location facets on customer satisfaction in four star hotels in Addis Ababa.
- To analyze the effect of Technological facets on customer satisfaction in four star hotels in Addis Ababa.
- To test the effects of social skill on customer satisfaction in four star hotels in Addis Ababa.
- To examine the effects of motivation on customer satisfaction in four star hotels in Addis Ababa.
- To analyze the effect of Technical skill on customer satisfaction in four star hotels in Addis Ababa

1.5 Hypothesis of the study

With the specific objectives stated above, the following hypothesis are formulated

H1: Location facets have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa.

H2: Technological facets have significant and positive effect on customer satisfaction in four star hotels in Addis Ababa.

H3: There is a positive and significant relationship between social skill and customer satisfaction in four star hotels in Addis Ababa.

H4: Motivation positively and significantly affects customer satisfaction in four star hotels in Addis Ababa.

H5: Technical skills have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa.

1.6 Significance of the study

This study expected to provide base line information about the effects of Electronic Marketing for star hotel sectors and other sectors who engage in Electronic marketing to satisfy their customers..

The aim of this thesis is to analyze the effect of using the electronic marketing Strategies among hotels in Ethiopia, specifically of four-star hotels in Addis Ababa. The Researcher expected the thesis to show whether four-star hotels in Addis Ababa are over, under or properly utilizing the potential of the electronic marketing accordingly, based on the findings of the research for those hotels which are not utilizing the potential, the thesis suggests they should engage the services of e. marketing with professionals to develop a comprehensive e. marketing strategy so as to take full advantage of the benefits associated with e. marketing.

1.7 Delimitation / Scope of the Study

Geographically this research is carried out in Addis Ababa, specifically four-star hotels .This is done through probability sampling method, as most of the target population's with visible reality for anyone are located in these areas. The reason behind them being located in these two vicinities is because of the location of direct and indirect target markets like:

Geographically, this research was limited to Addis Ababa only. This was due to two major reasons. One was because of time, money and experience shortage from the side of the novice student researcher to make a countrywide research. The second was because, according to Jensen (2003), most countries in Africa, except South Africa, have internet infrastructure only in their major cities and usage is highly limited to urban areas due to know-how and infrastructural factors. Thus, a sample drawn from this city would be most likely representative of the population that makes use of the internet.

The student researcher followed qualitative research and used mainly descriptive data analysis methodology while to some extent correlation.

1.8 Time interval

The research carried out from October, 2016 to June, 2017

1.9 Limitation of the study

Although there are many four star hotels in Addis Ababa all over the country, due to time and budgetary constraints the study was limited to service delivery practices of four star hotels in Addis Ababa only. Again because of the limited resources, only customers' perceptions will be taken i.e. the study was confined to customers' point of view only. The service firm's or employee's perspectives about the subject was not researched.

1.10 Definition of Terms

Electronic Marketing

Electronic Marketing is a new marketing phenomenon and philosophy that is rapidly growing in a very dynamic way. In the era of globalization and technology, the way of communicating among people has changed. (Alt, R. and S.Klein, 2011: p 41-51)

E-Commerce

It is a system used to refer to using computer networks to conduct buying and selling goods and services online, electronic funds transfer and business communications. (M. Sawhney, 2000: p 103)

Hotel

A hotel is an establishment that provides lodging paid on a short-term basis. Facilities provided may range from a basic bed and storage for clothing, to luxury features like ensuite bathroom. Larger hotels may provide additional guest facilities such as a swimming Pool, business centre, childcare, conference facilities and social function services. Hotel rooms are usually numbered (or named in some smaller hotels and B &BS) to allow Guests to identify their room. Some hotels offer meals as part of a room and board Arrangement. (Owen, Chris, 2015: p 28)

Internet marketing

Internet marketing, or online marketing, refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce, in addition to sales Leads from Web sites or emails. Internet marketing and online advertising efforts are typically used in conjunction with traditional types of advertising like radio, television, Newspapers and magazines. (Dahlen, Micael, 2016: p 36)

Four Star Hotels

Specifically of a hotel or restaurant given four stars in a grading system, typically one in which this denotes the highest or next to the highest class of quality. (Hensens, Struwing & Dayan, 2010: p 18-29)

Customer satisfaction:-

Isa person feeling of pleasure or disappointment resulting from comparing a product perceived performance or outcome in relation to his/her expectations (kotler, 1995: p 33)

Customer:-

Is a person or organizational unit that plays a role in the consumption with the marketer or an entity. (Kendall, Stephanie D, 2007: p 45)

1.11. Organization of the study

The paper is organized in to five main chapters with important concepts related to the study. Chapter one deals with introduction, which contains background of the study, statement of the problem, general and specific objective of the study, significance of the study, scope of the study, limitation of the study, which includes organization of the study were presented in this chapter. Chapter two provides the literature part. The third chapter describes the research methodology in detail. Chapter four is concerned with results and discussions. Finally, chapter five brings an end of this study with summary of the research findings, conclusion and possible recommendations.

CHAPTER TWO

2. LITERATURE REVIEW

CHAPTER OVERVIEW

This chapter will have four sections of theoretical frameworks namely, meaning of e-marketing, service quality and customer satisfaction, electronic Marketing, market development, location facets, technological facets and internal facets.

2.1 Theoretical Review

2.1.1 What is e-Marketing?

E-Marketing or electronic marketing refers to the application of marketing principles and techniques via electronic media and more specifically the Internet. The terms e-Marketing, Internet marketing and online marketing, are frequently interchanged, and can often be considered synonymous. E-Marketing is the process of marketing a brand using the Internet. It includes both direct response marketing and indirect marketing elements and uses a range of technologies to help connect businesses to their customers. By such a definition, e-Marketing encompasses all the activities a business conducts via the worldwide web with the aim of attracting new business, retaining current business and developing its brand identity (AMA, 2008).

E-marketing refers to the use of the Internet and digital media capabilities to help sell your products or services. These digital technologies are a valuable addition to traditional marketing approaches regardless of the size and type of your business. E-marketing is also referred to as Internet marketing (i-marketing), online marketing or web marketing. As with conventional marketing, e-marketing is creating a strategy that helps businesses deliver the right messages and product/services to the right audience. It consists of all activities and processes with the purpose of finding, attracting, winning and retaining customers. What has changed is its wider scope and options compared to conventional marketing methods. E-marketing is deemed to be broad in scope, because it not only refers to marketing and promotions over the Internet, but also includes marketing done via e-mail and wireless media. (Ibid)

2.1.2 E-marketing and hotel industry

E-marketing is the new trend of marketing extensively acquiring by hotel industry. The traditional marketing strategy of hotel industry now not performing very well; in place e-marketing is taking the driver's seat. The travel industry survives as one of the better performing sectors in e-commerce. With no fulfillment and no need for online payments, the hotel industry is well positioned to capture the full potential of ecommerce while avoiding many of its risks. "Currently, in Hong Kong, China, Taiwan and South Korea, approximately 5% to 10% of all lodgings are booked through the Internet, with 2004 estimates approaching 20%. This would follow the U.S. trend where hotels are reporting that up to 30% of all lodging is booked through online channels. Despite the burst of the Internet bubble, the promise of the Internet for hoteliers is still real: Online distribution can reduce costs, attract affluent customers and lessen dependency on more traditional and expensive distribution channels." (Iwuagwu, C., 2015).

2.1.3 Service quality and customer satisfaction in hotel industry

The primary function of the hotel units is to offer quality service to its customers. Service quality is defined as how well customers needs are met, and how well the service delivered meets the customers' expectations (Lewis and Booms, 1983). Gronoos (1984) has shown that the perceived quality of service is a function of the comparison of expected service with perceived service, in other words is the result of a comparative evaluation process. Parasuraman et al. (1985) has defined "quality of service" as the degree and direction of discrepancy between perceptions and expectations of their customers, where perceived service quality is the gap between customer's expectations and perceptions as measurement of service quality. Smaller the gap, the better is the quality of service and greater customer satisfaction is.

2.2. Measuring customer satisfaction

The main reason for measuring customer satisfaction is to collect information from one side to see what customers require to be done differently and in turn to assess how client needs are met. However the reasons for measuring customer satisfaction differ from one hotel to another. Some of the hotels fail to properly pursue programs dedicated customers not only because they have not defined program to get feedback from customers, but because they lack a complete database which not only monitors sales but it is also a source of innovation .According to literature customer satisfaction measurement is done in different ways, for example one of the ways is to include a single question in customer satisfaction questionnaire:"In general, how satisfied are you with...?" where responses of the questionnaire questions are made according to a system with 7 degrees from " very satisfied" (coded 1) to "very Satisfied " (coded 7), known as Likert scale. Problems associated to the answer of one single question in this case, are mitigated by the simplicity of the question. (Heskett et

al., 1994; Schneider and Bowen, 1995) have developed a theory for the measurement of customer satisfaction based on key elements of satisfaction in service and price, but their valuation is done independently through the "index service" and "price index". In this study are discussed practices that hotels in Albania use to design questionnaires, including the purpose, clarity, measurement scaling and validity assessment, and methodological problems of the time, size and order of questions in the questionnaire. According to Gilbert & Horsnell (1998), Su (2004), GCCs are commonly used in hotels to assess customer satisfaction. GCCs usually are distributed in hotel rooms, in reception or other visible places in the hotel. However, some studies suggest that a number of hotels use assessment methods for customer satisfaction based on improper practices to take important managerial decisions (Barsky, 1992; Barsky and Huxley, 1992; Gilbert & Horsnell, 1998; Su, 2004). Therefore is required to apply a more scientific method to use the GCCs in order to make fair and appropriate managerial decisions (Deveau et al., 1996, Jones and Sasser, 1995; Jones and Ioannou, 1993). Despite the different types of customer satisfaction systems, they generally have some common mistakes (Gilbert & Horsnell, 1998). Common mistakes are divided into three groups: the quality of the model, the design of the GCC as well as collection and data analysis (Gilbert & Horsnell, 1998). Gilbert & Horsnell (1998) have developed a "checklist GCCs criterion" to estimate practices for measuring and managing customer satisfaction in the hotel.

E- Marketing performance measures. Namely

- Financial measures
- Competitive market measures
- Consumer behavior measures
- Consumer intermediate measures
- E-marketing measures, such as
 - Conversion rate
 - Traffic
 - Visit duration
 - Number of transactions
 - Number of users

Technological Facets

Electronic Commerce or e-commerce has received much attention from governments, businesses and regional organizations or institutions. This importance has been attributed to a few converging factors. These factors include: first, the development of the use of the Internet as a means by which information is disseminated and through which communication and connectivity is enabled. Second, the affordability of personal computers had increased their computing capability, and the wide use of

open standards in the computer software applications. (Azizan et al, 2013; 978-967) Technological interference has a lot to do not only on Internet marketing, but also plays a major role in assuring guests security while staying in hotels. Tourism, like any economic activity has arguably produced detrimental security treats; the increasing rate of criminal activities within the hospitality centers in Nigeria is a challenge which tourism professions continue to grapple with. The recent killing of Cynthia OsokoguUdoka, the only daughter of a retired General, in Cosmilla Hotel, Lakeview Estate, AmuwoOdofoin, Festac Town, Lagos, has brought to the fore the issue of security in hotels. The Lagos State Commissioner of Police, Umar AbubakarManko told journalists that the detectives arrested the suspects using the close circuit television at the hotel where the crime was committed to identify them. Before now, the regulatory body in charge of tourism in the country, Nigeria Tourism Development Corporation (NTDC) had mounted a campaign calling for tighter security in Nigerian hotels in order to check the increasing wave of criminal activities in the industry (Nwakanma et al; 2014). A hotel has to keep up with the technology pace in order to create well functioning business processes among customers and suppliers via the Internet. This requires the reconstruction of information architectures and IT infrastructures. As referred by Azizan et al (2013), there are five basic problems that stand in the way of implementing these new changes: Loss of management control: The end users are becoming more independent, capable of collecting, storing and handle software. This occurs due to the lack of a single, central point where the need of management can occur. Connectivity and application integration: A hotel needs to upgrade its IT infrastructure in order to have compatible networks and standards and eliminate connectivity problems. Organizational change requirements: The old organization structure has to be changed to be compatible with the new IT infrastructure in order to be more effective and uniform. Hidden costs of enterprise computing: Some unexpected costs and expected savings that did not occur are generating problems. These costs are generated from hardware and software installations, maintenance costs, labor costs etc. Scalability, reliability, and security: The increased load of data transactions and storage as well as the traffic of applications such as audio, streaming video and graphics, drive managers to develop strategies to manage those issues (Azizan et al; 2013; 978-967). The introduction of an array of new technologies has brought about new interests in ICT adoption of hotels. These interests have regularly been discussed from two angles, one, for the betterment of in house service (such as having in-room internet access or speedy check-ins etc) and second, a new channel for hotels, electronic business. It is with the latter that we are concerned with (Lim, 2007). As the tourism industry expands globally, the need for expanding the communication Networks to connect the customers and the service providers have increased. The World Wide Web has been utilized as a means for communication widely over the past decade in the travel and tourism industry. It has been instrumental in helping the tourism sector to expand its markets across the

continents and has played a major role in helping the growth of the industry. The World Wide Web is a cost effective means for enterprises in the travel and tourism sector to directly market their offerings to a large customer population across the globe. It is also a very convenient means for the customers to gather information and compare between alternatives in an interactive manner (Hoontrakul and Sahadev; 2005).

Location Facets

In the hotel industry, the geographic location of a hotel has a major relationship on its operations and profitability. The geographical location of a hotel would greatly determine the profile of its visitors, the size of its market and the level of competition that it has to face. These three variables have a strong relationship on the ICT adoption propensity of a hotel also. This is because the ICT adoption propensity of a hotel can be linked mainly to its expectations about the value addition that the ICTs can provide to its customers, as well as the belief about the expansion of its target market through ICTs. A hotel will therefore be more inclined to adopt ICTs if it expects the ICT based facilities to either provide greater competitive advantage or to blunt the advantage enjoyed by its competitors considering the characteristics of its customer profile, its market size and the intensity of competition that it has to face. Thus based on the profile of a hotel's visitors, the size of the market, or the intensity of competition, hotels may differ in their levels of ICT adoption propensity (Nwakanma et al; 2014).

Environmental factors like the level of competition between existing players; organizational factors like the scope of the activities in which the hotel is involved in etc. are also expected to relationship a hotel's usage of the Internet (Hoontrakul, and Sahadev; 2005). The competition level among the hotels in a location can also influence the adoption propensity of a hotel. The general occupancy rate in the location is an indicator of the competitive intensity among the hotels in a location. High levels of occupancy rate at a location imply that the competition is low, and the hotels can expect to get their rooms filled with relative ease while low levels of occupancy point towards higher levels of competition to attract customers between the hotels in the location. High levels of competition may prompt the hotels to aggressively use ICT based technologies both for attracting customers as well as to increase the efficiency of its services.

When the existing literature was examined, it was determined that there were various studies on electronic marketing practices at the websites of four star hotel establishments. In her study, Sigala (2001) found that many hotels used Internet to promote the hotel and to provide information about prices. In the same study, it was expressed that those hotels which offered alternatives of discount so

as to increase their sales promotions and bookings constituted the majority. It was found that 16% of the hotels offered online booking and safe modes of payment, whereas all hotels made bookings via e-mail. According to the findings, the hotels were recommended to design their website according to changing customer needs and make them online, visible and accessible.

In their study for the evaluation of Internet websites of Accommodation Establishments in Turkey, Karamustafa, Bickes and Ulama (2002) stress that the use of Internet websites for communication of marketing of products offered by accommodation establishments is quite new. They conclude that the habits of existing and potential customers to go shopping on the Internet have not reached the desired level yet. Yalcin and Demircioglu (2002) found that firms benefited superficially from marketing communication activities at their websites and used various electronic marketing activities at elementary stage. Internet as a new means of marketing and the classification of factors affecting the use of Internet. Pirnar (2005) stated that the tourism industry was also suitable for e-commerce due to its structure and that e-commerce provided both tourism establishments and customers with savings of cost and time.

In a study by Chiang (2003) that examined the websites of some 65 hotels in Singapore, it was determined that online booking; online payment, fast discount and online confirmation opportunities; restaurant promotions; and family-child promotions took place at the websites of the hotels within the scope of the study at the rates of 95%, 83%, 49% and 3%, respectively.

In their research on the contents and operation capabilities of websites of some 77 5-star hotels in China, Hsu, Zhu and Agrusa (2004) observed that since numerous hotels had international customers, English and Chinese generally predominated at hotels' websites and that 32.5% of hotels: an international multidisciplinary journal of tourism volume 7, number 2, autumn 2012, pp. 183-201 had a website only in English, while 1.3% had a website only in Chinese. Websites generally provided basic information about hotel and facility. 62% of hotels offered an online booking service. The most interesting finding of this study is that although many hotels offered bilingual or multilingual services at their website, online booking operations were mostly performed in English. This yields the conclusion that five-star hotels generally regarded the English-speaking people in other countries as their target customer mass. Only 5% of the hotels offered online booking in Chinese. However, many hotel websites did not offer links to other sites that provided added value such as travel partners (car rental and plane ticket) and local attraction points. As a result of the study, it was stated that the presentation of additional functions and services at websites to visitors and consumers provided websites with added value and attracted potential customers more.

In their study, Baloglu and Pekcan (2006) suggested findings regarding website design at luxurious hotels. The research was carried out at some four- star hotel establishments in Antalya, Mugla and Istanbul with a high recognition of destination. It was observed that in approximately 75% of the hotels, online information demand forms, dates of special events, online view forms, links to other related sites, promotions, online payments, links to tourism information sites, audio features, date of last update, and use of advertisements were rather scarce. It was found that the hotels in Turkey did not fully benefit from Internet and e-marketing, regardless of type and class of the hotels.

In her study on the role of Internet in destination marketing, Ozdemir (2007) stated that tourism marketers benefited intensively from the opportunities provided by technological developments in the field of destination marketing as well and that they gave up the traditional marketing understanding and were headed for a modern marketing understanding. It was expressed that as regards Internet, it was concentrated on being different, website designs and website contents in the tourism industry, wherein international competition is intensive.

In a study by Tutar, Kocabay and Kilinc (2007) on e-commerce practices in tourism sector in and around Nevsehir, it was found that costs decreased and productivity increased upon the commencement of the use of information and technology in accommodation establishments. It was stressed that the use of computer-based automation was at the rate of 88% at the front office department of the hotels located at the surveyed site and that competitive advantage in the tourism sector might be provided using information and technology Dilekkeke cmorkoc and lutfiatay188 In their study on the content analysis of hotels' websites, Bayram and Yayli (2008) analyzed the websites of some 286 four- and five-star hotel establishments. According to survey results, it was seen that hotel establishments widely included booking by e-mail, hotel images and room images – the criteria that determine marketing practices at websites - in their website. Another striking finding of the study was the quite high number of websites that did not offer any opportunity for online booking or online payment. In a survey on the effect of the management structure of accommodation establishments on web-based marketing activities, Boylu and Tuncer (2008) found that the bookings that accommodation establishments received via electronic systems were at a low level. The emphasis on the fact that more than half of the establishments did not accept online payment and that the management structure of an establishment was an important factor in updating the information on promotions, products and prices was striking. In the survey, it was concluded that there was no correlation between advertising on Internet and the management structure of the establishment, that the development of security required for e-marketing activities was insufficient and that it was not adequately understood that Internet was an opportunity for competition and for opening to the world.

Kanellopoulos (2006) indicates that consumers or travel agents have opportunity to create, manage and update itineraries. Web application allows the customer to specify a set of preferences for a vacation and query a set of information sources to find components such as car rental, leisure activities and air fares in real-time. Also it was seen that intelligent tourism information systems offer full integration, flexibility, specialization and personalization.

2.3 Marketing strategy in the digital age

Conducting business in the new digital age will call for a new model for marketing strategy and practice. The internet is revolutionizing how companies create value for customers and build customer relationships. The digital age has fundamentally changed customers' notions of convenience, speed, price, product information and service. Thus today's marketing requires new thinking and action. Companies need to retain most of the skill and major new competencies and practices if they hope to grow and prosper in the new environment (Kotler, 2006).

2.4 E-Business, E-Commerce, and E-Marketing in the digital age

According to Kotler, 2006 has defined E-business involves the use of electronic platforms intranets, extranets, and the internet to conduct a company's business. Almost every company has set up a web site to inform about and promote its products and services. Others use web sites simply to build stronger customer relationships.

Most companies have also created intranets to help employees communicate with each other and to access information found in the company's computers. For example, some 14,000 employees regularly log on P&G internet, mNet, to receive training and to research marketing news from around the world. And the Cheesecake Factory a national restaurant chain uses its intranet to offer training tips and help employees communicate during pre-shift meetings. Companies also set up extranets with their major suppliers and distributors to enable information exchange, orders, transactions, and payments.

According to Kotler, 2006 has defined E-commerce is more specific than e-business. E-business includes all electronics based information exchanges within or between companies and customers. In contrast, e-commerce involves buying and selling process supported by electronic means primarily the internet. E-markets are market spaces rather than market places. Sellers use e-markets to offer their products and services online. Buyers use them to search for information, identify what they want and place orders using credit or other means of electronic payment. E-commerce includes e-marketing and e-purchasing (e-procurement).

According to Kotler, 2006 has defined E-marketing as the marketing side of e-commerce. It consists of company efforts to communicate about, promote, and sell products and services over the internet. Thus Amazon.com, LLBean.com and Dell.com conduct e-marketing at their web sites. The flip side of e-marketing is e-purchasing the buying side of e-commerce. It consists of companies purchasing goods, services and information from online suppliers. In business-to-business buying, e-marketers and e-purchasers come together in huge e-commerce networks. E-commerce and the internet bring many benefits to both buyers and sellers. Let's review some of these major benefits:

2.4.1 Benefits of Buyers

Internet buying benefits both final buyers and business buyers in many ways. It can be convenient; customers do not have to battle traffic, find parking spaces, and trek through stores and aisles to find the products. They can do comparative shopping by surfing web sites. Web marketers never close their doors. Buying is easy and private; customers encounter fewer buying hassles and do not have to face salespeople or open themselves up to persuasion and emotional pitches.

E-commerce channels also give buyers access to a wealth of comparative information about companies, products, and competitors. Good sites often provide more information in more useful forms than even the most solicitous salesperson can.

Finally, online buying is interactive and immediate. Buyers often can interact with the seller's site to create exactly the configuration of information, products, or services they desire, then order or download them on spot. Moreover, the internet gives consumers a greater measure of control. Like nothing else before it, the internet has empowered consumers.

2.4.2 Benefits of Sellers

E-commerce also yields many benefits to sellers. First, the internet is a powerful tool for customer relationship building. Because of its one-to-one, interactive nature, companies can interact online with customers to learn more about specific needs and wants. Online customers can ask questions and volunteer feedback. Based on this ongoing interaction, companies can increase customer value and satisfaction through product and service refinements. The internet and other electronic channels can also reduce costs and increase speed and efficiency. By using the internet to link directly to suppliers, factories, distributors, and customers, business can cut costs and pass savings on to customers. E-marketers avoid the expense of maintaining a store and the related costs of rent, insurance and utilities. Because of efficiencies for channel and logistics functions such as order processing, inventory handling, delivery and trade promotion.

E-marketing can also offer greater flexibility, allowing the marketer to make ongoing adjustments to its offers and programs. For example, once a paper catalog is mailed to final consumers or business customers, the products, prices, and other catalog features are fixed until the next catalog is sent. However an online catalog can be adjusted daily or even hourly, adapting product assortments, prices and promotions to match changing market conditions.

Finally, the internet is a truly global medium that allows buyers and sellers to click from one country to another in seconds (Kotler, 2006).

2.5, E-Marketing Domains

The four major e-marketing domains are B2C (business to consumer), B2B (business to business), C2C (consumer to consumer), C2B (consumer to business).

2.5.1, B2C (Business-to-Consumer)

B2C (business-to-consumer) e-commerce: the online selling of goods and services to final consumers. Despite some gloomy predictions, online consumer buying continues to grow at a healthy rate. By 2009, consumers worldwide spent more than \$ 167 billion online. In the United States alone, consumer spending online is expected to exceed \$ 316 billion by 2010. The largest categories of consumer online spending include travel service, clothing, computer hardware and software, consumer electronics, books, music and video, health and beauty, home and garden, flowers and gifts, sports and fitness equipment and toys.

2.5.2 B2B (Business-to-Business)

Using B2B trading networks, auction sites, spot exchanges, online product catalogs, barter sites, and other online resources to reach new customers, serve current customers more effectively, and obtain buying efficiencies and better prices. Most major B2B marketers now offer product information, customer purchasing and customer support service online. Some B2B e-commerce takes place in open trading exchange and private trading exchanges.

Open trading exchange: huge e-marketers in which B2B buyers and sellers find each other online, share information, and complete transaction efficiently.

Private trading exchange: B2B trading networks that link a particular seller with its own trading patterns.

Rather than simply completing transactions, private exchanges give sellers greater control over product presentation and allow them to build deeper relationship with buyers and sellers by providing value-added services.

2.5.3 C2C (Consumer-to-Consumer)

C2C (consumer to-consumer) e-commerce: -online exchanges of goods and information between final consumers. The internet provides an excellent means by which consumers can buy or exchange goods or information directly with one another. C2C involves interchanges of information through internet forums appeal to special interest groups. Such activities may be organized for commercial or non-commercial purposes.

2.5.4 C2B (Consumer-to-Business)

C2B (consumer-to-business) e-commerce: online exchanges in which consumers search out sellers, learn about their offers and initiate purchases, sometimes even driving transaction term (kotler,2006).

2.6 Setting up an E-Marketing Presence

Clearly all companies need to consider moving into e-marketing. Companies can conduct e-marketing in any of the four ways: creating a Web site, placing ads online, setting up or participating in Web communities, or using e-mail.

2.6.1 Creating a Web site

For most companies, the first step in conducting e-marketing is to create a Web site. However, beyond simply creating a Web site, marketers must design an attractive site and find ways to get consumers to visit the site, stay around, and come back often.

2.6.2 Types of Web Sites

Web sites vary greatly in purpose and content. The most basic type is a *corporate web site*. These sites are designed to build customer goodwill and to supplement other sales channels, rather than to sell the company's products directly.

Corporate Web sites typically offer a rich variety of information and other features in an effort to answer customer questions, build closer customer relationships, and generate excitement about the company. They generally provide information about the company's history, its mission and philosophy, and the products and services that it offers. They might also tell about current events, company personnel, financial performance, and employment opportunities. Most corporate Web sites also provide entertainment features to attract and hold visitors. Finally, the site might also provide opportunities for customers to ask questions or make comments through e-mail before leaving the site.

Other companies create a *marketing Web site*. These sites engage consumers in an interaction that will move them closer to a direct purchase or other marketing outcome. Such sites might include a

catalog, shopping tips, and promotional features such as coupons, sales events, or contests. For example, visitors to Sony Style .com can search through dozens of categories of Sony products, review detailed features and specifications lists for specific items, read expert product reviews, and check out the latest hoi deals. They can place an order for the desired Sony products online and pay by credit card, all with a few mouse clicks. Companies aggressively promote their marketing Web sites in offline print and broadcast advertising and through *banner-to-site* ads that pop up on other Web sites.

2.6.3 Designing Effective Web Sites

Creating a Web site is one thing: getting people to visit the site is another. The key is to create enough value and excitement to get consumers to come to the site, stick around, and come back again. Today's Web users are quick to abandon any Web site that does not measure up. In addition, many online marketers spend heavily on good old fashioned advertising and other offline marketing avenues to attract visitors to their sites. For some types of products, attracting visitors is easy. Consumers buying new cars, computers, or financial services will be open to information and marketing initiatives from sellers. For such low interest products, the company can create a corporate Web site to answer customer questions build goodwill and excitement, supplement selling efforts through other channels, and collect customer feedback. For example, although Kraft Foods LifeSavers candy stand Web site does not sell candy, it does generate a great deal of consumer excitement and sales support.

A key challenge is designing a Web site that is attractive on first view and interesting enough to encourage repeat visits. The early text-based Web sites have largely been replaced in recent years by graphically sophisticated Web sites that provide text, sound, and animation. To attract new visitors and to encourage revisits, suggests one expert, e-marketers should pay close attention to the seven Cs of effective Web site design:

Context: the sites layout and design.

Content: the text, pictures, sound, and video that the Web site contains.

Community: the ways that the site enables user-to-user communication.

Customization: the sites ability to tailor itself to different users or to allow users to personalize the site.

Communication: the ways the site enables site-to-user, user-to-site, or two-way communication.

Connection: the degree that the site is linked to other sites.

Commerce: the sites capabilities to enable commercial transactions (Kotler, 2006).

2.7 Empirical Review

Marketing, as well as different e-marketing forms - Business to Business Marketing (B2B), Business to Consumer Marketing (B2C) and Business to Government Marketing (B2G). There are numerous factors that are considered as prerequisites for using e-marketing in a company. For example, Peštek and Čičić mention the existence of a clearly defined strategy at a company level, the existence of the marketing function within the company, the domination of the marketing function in the development, implementation and monitoring of e-marketing results, and the existence of a database and building customer relations (Peštek, Čičić, 2010).

When it comes to the implementation of e-marketing in tourism it can be said that the acceptance of e-marketing is determined by several factors such as owner skills, the available resources of an organization, the organization's organizational culture, e-marketing adoption cost, size of the organization, ease of use, compatibility, competitive pressures, government influence, market trends, national infrastructure, and cultural orientation towards e-marketing by the organization's customers (El-Gohary, 2012). Also, there exist numerous obstacles to e-marketing adoption. Dlodlo and Dhurup examined the relevant barriers contributing to the non-adoption of e-marketing practices by small and medium enterprises and found that they include technology incompatibility with target markets, lack of knowledge, stakeholder un readiness, technology disorientation and technology perception (Dlodlo, Dhurup, 2010). In their research conducted in Ghanaian hotels, Kwabena and Mphil (2008) found that organizational characteristics are the most important factor that determines the adoption and use of ICT, although the hotels' environmental context, managerial characteristics, and perceived attributes of the Internet all have some influence.

2.7.1 Empirical Research- example of South Africa Hotels

The hotel industry is very developed in South Africa Country. To be competitive in the tourism market, attract more guests and achieve a high level of customer satisfaction, hotels need to use information and communication technology (ICT). By applying the methods and techniques of e-marketing, the hotel has the potential to capture the targeted market and offer its product.

The impact of Internet marketing usage on customer satisfaction of the South African hospitality sector, particularly the hotel and lodging sector, needs to be examined, especially because it is an area which has received little research attention. A considerable portion of the literature has emphasized the Impact of internet marketing on the performance of businesses indifferent countries (Ozituran & Roney, 2003; Sunny *et al.*, 2004; Chaston & Mangles, 2003; Shin, 2006; Salwani *et al.*, 2009). However, there is very little published literature on the impact of Internet marketing on the hotel and lodging sector in South Africa (Maswera, Davison & Edwards, 2008). Past research on Internet marketing in South Africa concentrated on the utilisation or the role of e-commerce or the Internet in tourism as a whole (Song, 2005; Elliott & Sewry, 2006; Maswera *et al.*, 2008; Elliott & Boshoff, 2009). As a result, there is no clear picture of the state of Internet marketing adoption and its impact within the South African hospitality industry. Verhoest *et al.*, (2007) commented that previous studies on Information Communication Technologies in South Africa have often limited themselves to the role of ICT *per se*, and failed to capture the critical role and complexity of the utilization of ICT as a determining factor in shaping the impact on customers.

Graded hotels and lodges in South Africa are the focus of this investigation and, the reasons being: Firstly, as mentioned above, this sector has not been the central subject of study in this research area, especially in South Africa. Secondly, during the last few years, hotels worldwide have become increasingly dependent on information technologies such as the Internet for marketing, as well as to manage the diverse range of service provision needed in a highly competitive and globalised market (Lo & Darma, 2000:2).

Graded hotels and lodges in South Africa, the result suggested that Internet marketing usage positively influences customer satisfaction”. In other words the relationship between internet marketing usage and each measure of customer satisfaction was tested. Finally the relationship between Internet marketing usage and customer satisfaction is significantly moderated by number of years of experience in using Internet for marketing purposes. This was evident by the increase in the R2 value when internet marketing experience was added in the regression analysis. An increase which is greater than 3% shows that internet marketing experience significantly moderates the relationship between Internet marketing usage and business profitability (Wen et al, 2005).

Other researches like, Sigala (2001) found that many hotels used Internet to promote the hotel and to provide information about prices. In the same study, it was expressed that those hotels which offered alternatives of discount so as to increase their sales promotions and bookings constituted the

majority. It was found that 16% of the hotels offered online booking and safe modes of payment, whereas all hotels made bookings via e-mail. According to the findings, the hotels were recommended to design their website according to changing customer needs and make them online, visible and accessible.

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In a study by Chiang (2013) that examined the websites of some 65 hotels in Singapore, it was determined that online booking; online payment, fast discount and online confirmation opportunities; restaurant promotions; and family-child promotions took place at the websites of the hotels within the scope of the study at the rates of 95%, 83%, 49% and 3%, respectively.

2.8. Conceptual frame work

The conceptual frame work of this study shows the various studied variables and their dimensions and measures. The predictor variable is effect of electronic marketing on customer satisfaction (EEMOCS)(input) while the criterion variable is customer satisfaction (output) the effect of electronic marketing on customer satisfaction (EEMOCS) predictor variable in turn accounted for the following dimensions (A) location facets (B)Technological facets(c)social skill (D) motivation (E) Technical skill

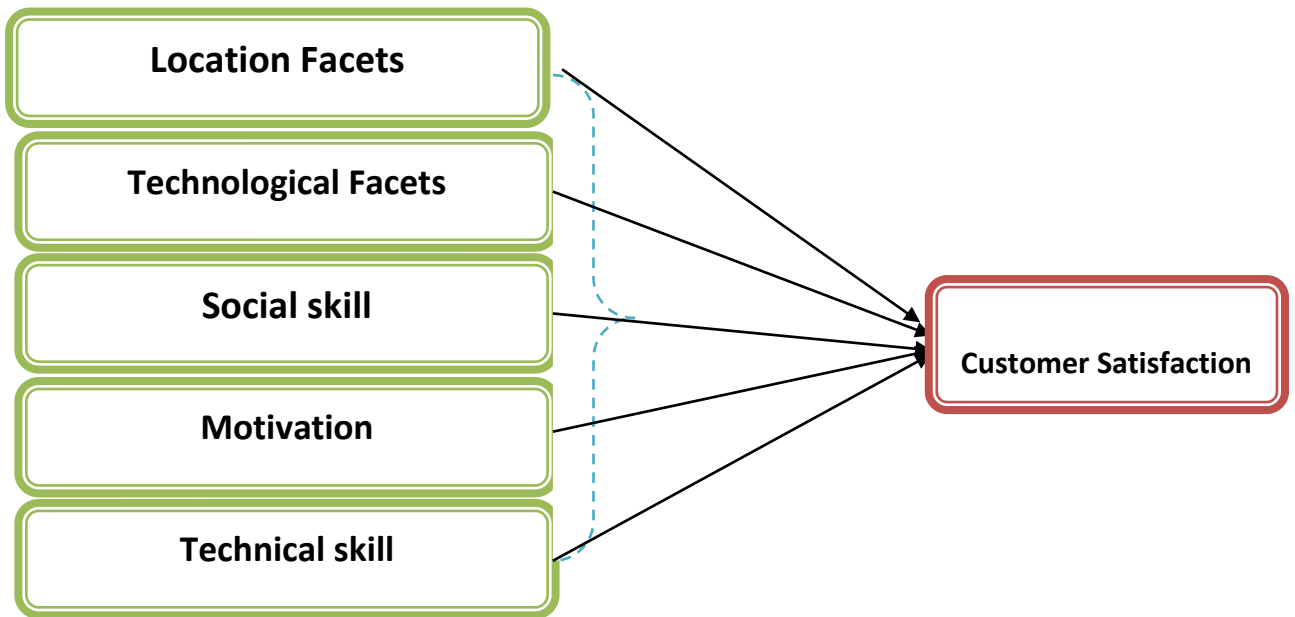


Fig.1 Conceptual frame work of the study

Source:-yoi and Broderick (2003) p.363

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Chapter Overview

This chapter contains the research design employed, the population sampling technique; research Approach, source of data collection, and instrument of data collection and method of data analysis

3.2. Research Approach

There are two approaches for carrying out research; qualitative and quantitative approaches. Qualitative deals more with theoretical analysis of data, but does not pay more attention to the quantities of samples and data. On the other hand, the quantitative methodology lays more emphasis on sample variables and their relationship on the overall Performance. The research was used both quantitative and qualitative data analysis. The researcher was used both primary and secondary data gathering techniques.

3.3. Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data (Kothari, 2004).

Research can be done in three ways of designs namely descriptive, explanatory and causal designs. The research decided to go with the descriptive and explanatory research designs because the overall content study was described and analyzed the relationship between the dependent and independent variables. The purpose of this study was to analyze the e. marketing usage rate of hotels, specifically four-star hotels in Addis Ababa. To do so the researcher preferred to go with the descriptive and explanatory research design because this research designs uses a set of scientific methods and procedures to collect raw data and create data structures that describe the existing characteristics of a defined target population or market structure (Hair et al., 2006:38). Moreover descriptive research studies are those studies which are concerned with describing the characteristics of a particular

individual, or of a group, whereas diagnostic research studies determine the frequency with which something occurs or its association with something else (Kothari, 2004).

3.4. Population, Sampling Techniques and Sample Size

3.4. Sampling Design

Survey can only be truly valuable when it's reliable and representative for the population to be studied however determining the ideal sample size one of the major tasks to be done. After all, a sample that is too big will lead to the waste of precious resources such as time and money, while a sample that is too small will not allow gaining reliable insights.

There are two measures that affect the accurateness of the data. First there is the margin of error(is the positive and negative deviation from survey results) .In this student research the deviation between the opinion of “effect of e-marketing on four star hotels” with margin of error 5%,the researcher sure that between 85%(90%-5%)and 95%(90%+5) of the entire population responds how e-marketing affect their hospitality. Second there is the confidence level (how often the percentage of the population actually lies within the boundaries of the margin of error).

3.4.1 Population

In this student research (Effect of e-marketing on customer satisfaction in four star hotels in A.A) from standard four star hotels. The total target population are 750 consisted of Marketing Managers and customer of respective hotels who are recorded as loyal customers).

3.4.2 Sample size and Sampling Technique

Because of shortage of resources the researcher found difficult to deal with. Hence appropriate sample sizes were drawn. There are various Techniques for calculating the required sample size. According to the research Advisors in USA, 2016 construct a table that suggests the optimal sample size given population size, specific margin of error and a desired confidence interval. The table below presents the results of one set of these calculations used to determine the appropriate sample size for this study (confidence levels 95% Margin of Error =5%),

To use these values, determine the size of the population down the left most column (use the next highest value if the exact population size is not listed). The value in the next column is the sample size that is required to generate a margin of error of $\pm 5\%$ for any population proportion.

Required Sample Size

Population size	Confidence =95% Margin of error			
	5%	3.5%	2.5%	1.0%
10	10	10	10	10
100	80	89	94	99
150	108	126	137	148
300	169	217	251	291
400	196	265	318	384
600	234	340	432	565
700	248	370	481	653
800	260	396	526	739
1000	278	440	606	906
1,000,000	384	783	1534	9512

Source: The Research Advisors (2016)

Considering the above suggestions and the researcher population size of 750 to be studied and the sample size of 260 were drawn. In order to gain respondents opinion from customers, structured questioners distributed to 260 extracted samples. Whereas because number of hotel marketing managers where counted as 14 through physical observation in 14 four star hotels found in the study area, each have one marketing manager in the process. Hence Semi-structured questionnaires were asked to gather demographic and response rates of selected questions.

3.5 Sources of Data Collection

Here the research will use both primary and secondary data collection instruments. Questionnaire will be used for collecting primary data from the target population.

3.5.1 Primary Source

Data that have been observed, experienced or recorded close to the event are the nearest one can get to the truth, and are called primary data. There are many ways of collecting and recording primary data (Walliman, 2006). Among them the researcher used questionnaire for the purpose of collecting primary data.

3.5. 2 Secondary Source

Secondary data means data that are already available i.e., they refer to the data which have already been collected and analyzed by someone else. When the researcher utilizes secondary data, then he has to look into various sources from where he can obtain them. In this case he is certainly not confronted with the problems that are usually associated with the collection of original data (Kotari, 2004). Accordingly the researcher of this study used Addis Ababa hotel and Tourism report in order to obtain the required secondary data for the study.

3.6. Instrument of Data Collection

In this study structured questionnaire will be used since the aim of the study is to assess the effect of e-marketing on customer satisfaction and how it is related to customer satisfaction. A survey questionnaire was distributed to hoteliers of four-star hotels in Addis Ababa. The structured questionnaires were tested before use to the main research analysis.

3.7 Method of Data Analysis

Statistical Package for Social Sciences (SPSS) will be used for data analysis because of its capacity to analyze quantitative/numerical data, which the research incorporated the researcher will employ correlation analysis because correlation is primarily Concerned with finding out whether a relationship exists and with determining its magnitude and direction. When two variables vary together, such as loneliness and depression, they are said to be correlated. Accordingly, correlation studies are attempts to find the extent to which two or more variables are related. Typically, in a correlation study, no variables are manipulated as in an experiment the researcher measures naturally occurring events, behaviors, or personality characteristics and then determines if the measured scores vary (Ho, 2006). Therefore this is the best way to analyze the relationship of the dependent and independent variables. Correlation is used to analyze the cause and effect relationship between independent and dependent variables and is used to see the effect between the facets and the end result and vice-versa which in this scenario are e. marketing hotels market development respectively.

3.7.1 Correlation Analysis

To quantitatively express the extent to which two variables are related, it is necessary to calculate a correlation coefficient (Ho, 2006). Correlation and regression analysis are related in the sense that

both deal with relationships and effect among variables. The correlation coefficient is a measure of linear association between two variables. Values of the correlation coefficient are always between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive linear sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative linear sense, and a correlation Coefficient of 0 indicates that there is no linear relationship between the two variables. For simple linear regression, the sample correlation coefficient is the square root of the coefficient of determination, with the sign of the correlation coefficient being the same as the sign of b_1 , the coefficient of x_1 in the estimated regression equation. Neither regression nor correlation analyses can be interpreted as establishing cause-and effect relationships. They can indicate only how or to what extent variables are associated with each other. The correlation coefficient measures only the degree of linear association between two variables. Any conclusions about a cause-and-effect relationship must be based on the judgment of the analyst (www.encyclopedia Britannica.com).

3.7.2 Interpretation of Correlation Analysis

When comparing the correlation between two items, one item is called the "dependent" item and the other the "independent" item. The goal is to see if a change in the independent item (which is usually an indicator) will result in a change in the dependent item (usually a security's price). This information helps you understand an indicator's predictive abilities. The correlation coefficient can range between ± 1.0 (plus or minus one). A coefficient of +1.0, a "perfect positive correlation," means that changes in the independent item will result in an identical change in the dependent item (e.g., a change in the indicator will result in an identical change in the security's price). A coefficient of -1.0, a "perfect negative correlation," means that changes in the independent item will result in an identical change in the dependent item, but the change will be in the opposite direction. A coefficient of zero means there is no relationship between the two items and that a change in the independent item will have no effect in the dependent item. A low correlation coefficient (e.g., less than ± 0.10) suggests that the relationship between two items is weak or non-existent. A high correlation coefficient (i.e., closer to plus or minus one) indicates that the dependent variable (e.g., the security's price) will usually change when the independent variable (e.g., an indicator) changes.

The direction of the dependent variable's change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable; if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable.

One can use correlation analysis in two basic ways: to determine the predictive ability of an indicator and to determine the correlation between two securities. When comparing the correlation between an indicator and a security's price, a high positive coefficient (e.g., more than +0.70) tells you that a change in the indicator will usually predict a change in the security's price. A high negative correlation (e.g., less than -0.70) tells you that when the indicator changes, the security's price will usually move in the opposite direction. Remember, a low (e.g., close to zero) coefficient indicates that the relationship between the security's price and the indicator is not significant. Correlation analysis is also valuable in gauging the relationship between two securities. Often, one security's price "leads" or predicts the price of another security. For example, the correlation coefficient of gold versus the dollar shows a strong negative relationship. This means that an increase in the dollar usually predicts a decrease in the price of gold. (www.metastock.com).

3.7.3 Pilot Testing

Pre-testing is the process of conducting a simulated administration of a design Questionnaire to a small representative group of respondents. It is an important step in the development of a questionnaire because it sheds light on possible improvement of the questionnaire's wording, structure and format (Hair et al; 2006). On this research pre-testing was made amongst four-star hotels. From the pre-test survey it was noted that rephrasing of some words was necessary and was done accordingly.

3.8 Validity and Reliability

3.8.1 Measurement of Reliability

The scale of the model used were tested and found to be acceptable. That is reliable scale was found for cronbach alpha of constructs greater than 0.70 revealing satisfactory as all items are developed based on theories and literatures.

3.8.2 Validity Test

Establishing the validity of the scores in a survey helps to identify whether an instrument might be a good one to use in survey research (Creswell, 2009). Before using the questionnaire for the study it is always advisable to conduct pilot study or pilot survey for testing the questionnaires. In a big enquiry the significance of pilot survey is felt very much. Pilot survey is infact the replica and rehearsal of

the main survey. Such a survey, being conducted by experts, brings to the light the weaknesses (if any) of the questionnaires and also of the survey techniques. From the experience gained in this way, improvement can be effected (Kotari, 2004). In order to keep the validity of the instrument the researcher based previously developed questionnaires with some modifications to comply with the current study as well as conducted a pilot test on the questionnaires that developed for the study. An opinion also asked from hotel experts to look the questionnaires from the hotel side.

3.9. Ethical consideration

The researcher has already obtained consent of the four star hotels for the study; employees who completed the questionnaire has been informed about the purpose of data collection analysis and the covenant to maintain anonymity of their responses. The respondents are randomly selected from this data base authorized access was obtained from the relevant department. Letter of invitation was sent to respondent to check their willingness to participate in the research on voluntary basis. The questionnaire was clear about the voluntary participation.

The research is purely for academic purpose and as a result of this the researcher was not reveal or use any of the confidential information or the business secretes of the hotels for another purpose.

CHAPTER FOUR

4. RESULT AND DISCUSSION

4.1 Chapter Overview

The previous chapter explained the methodology, which was followed by the study to collect data. This chapter presents the findings of the research in accordance to the research objectives and hypothesis. The analyses and interpretation of the data collected from the respondents is presented. It began with a description of the demographic and general characteristics of the participating respondents. The results of Cronbach's coefficient alpha for reliability were examined. Then, the results of factor analysis, and correlation analysis for the research variables were discussed. And the result of hypothesis test through multiple regression analysis is discussed in overall customer satisfaction about e. marketing.

4.2 Data screening and data cleaning

Table 4.1 Distribution of sample size and response rate of questionnaires administered

Name of hotel	Number of distribution	Correctly filled and returned questionnaires	Not correctly filled questionnaires	Non returned questionnaires
Harmony Hotel	20	19	-	1
Intercontinental Hotel	20	18	--	2
Jupiter int. Hotel (kazanchis)	18	15	-	3
Jupiter Int. Hotel (Bole)	18	18	-	
Momona Hotel	18	18	-	
Nazrahotel	18	16	-	2
Nexus hotel	18	18	-	
Saromaria hotel	18	18	-	
Sarem International Hotel	20	15	-	5
Tegen Guest Accommodation Hotel	18	17	-	1
Washington hotel	18	18	-	
Debredamo hotel	18	18	-	
Dreamliner Hotel	18	18	-	
Friendship hotel	20	15	-	5
Total	260	241		19

The total number of questionnaires distributed were 260 out of these 241 questionnaires was returned, yielding 92.7 percent response rate. However, 19 questionnaires were not completed properly as a result the number of questionnaires for data analysis was 241.

4.3 Reliability Test

The Reliability Statistics show that the scale exhibits a high degree of reliability. A Cronbach's Alpha coefficient of 0.70 is a commonly suggested threshold of reliability test. The researcher distributed 30 questionnaires as a pilot test.

4.4 Reliability Test all variable

The study used cronbach" alpha to measure the reliability or to assess the internal consistency of the research instrument. As,Nunnally(1978),cited in Eze et al.(2008) suggests that scale with 0.60 Alpha coefficients and above are considered acceptable As shown in table 4.1 the Cronbach"s Alpha coefficients for service quality items ranges from 0.794 to 0.857, these are greater than the minimum value suggested by Nunnally (1978). And the overall" Cronbach"s alpha coefficient for all items is 0.826. Therefore, the scales used in this study demonstrate high reliability as well as it indicates the acceptability of the scale for further analysis.

Table 4.2 Result of Reliability Statistics

	N of Items	Cronbach's Alpha
location facet	9	.801
technology facet	5	.741
social skill	4	.660
Motivation	4	.669
technical skill	5	.748
customer satisfaction	4	.774
Over all reliability	31	.917

Source: own survey Spss Result 2017

With a minimum value of 0.660 and 0.669, the Cronbach's Alpha coefficients of all variables lie well above the commonly suggested threshold of 0.70.

Table 4.3 Reliability test for all variables

Reliability Statistics

Cronbach's Alpha	N of Items
.917	31

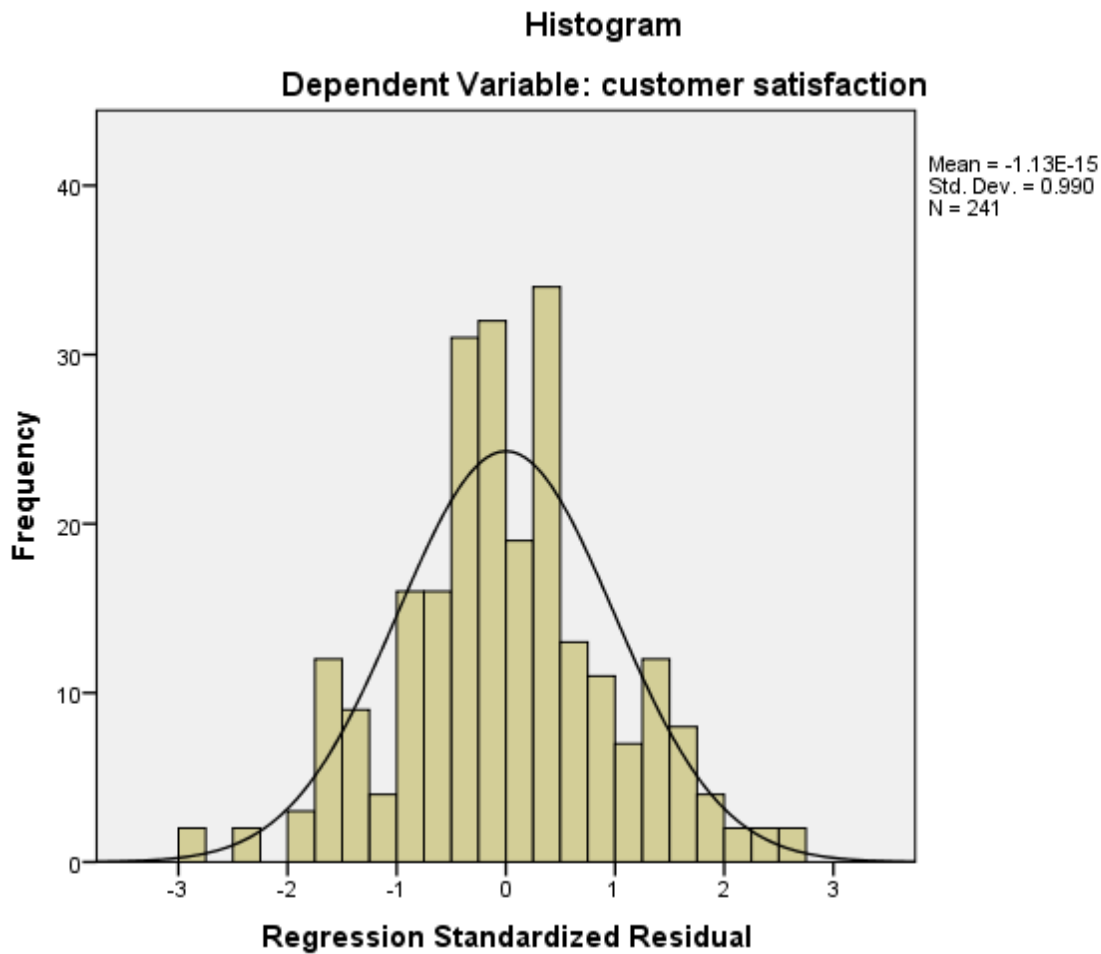
Source: Survey Data (2017)

All variables together gave a value of 0.917 Cronbach's Alpha coefficients. So, in general all items of the variables are reliable.

Normality Test

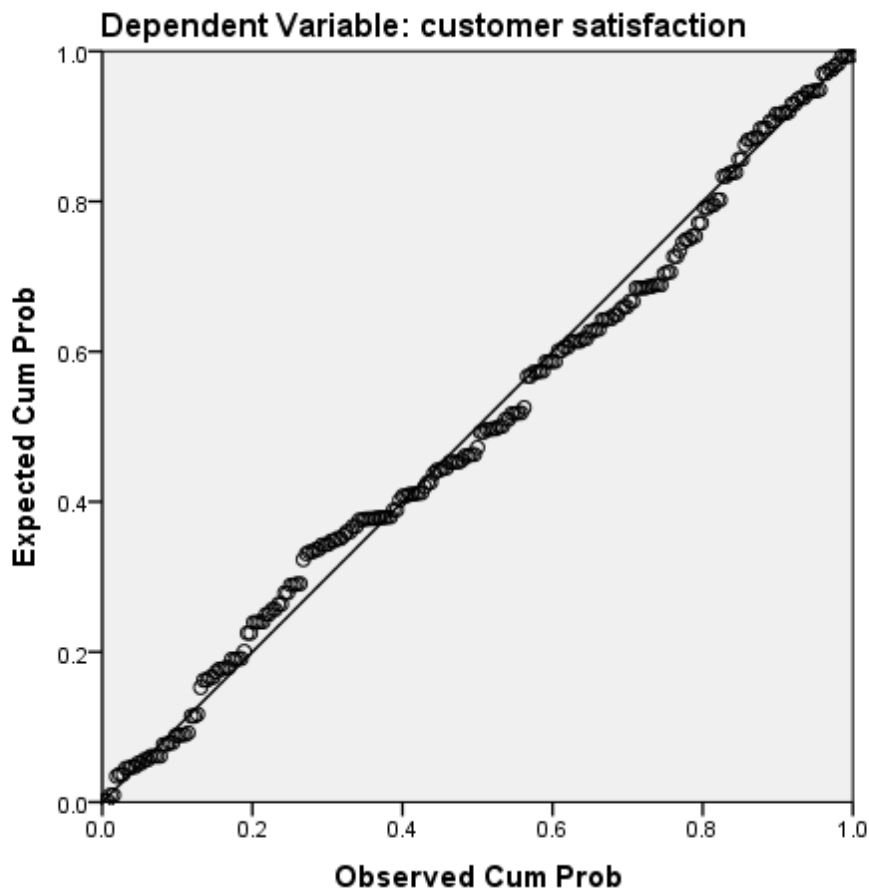
Normality of distribution can be tested by using histogram with a normal curve. In general the figure below shows that the variables are normally distributed for customer satisfaction

Figure 4.1 Normal Distribution Curve



Source: Survey Data (2017)

Normal P-P Plot of Regression Standardized Residual



Source: Survey Data (2017)

If skewness is equal to 0, the data are perfectly symmetrical. But a skewness of exactly zero is quite unlikely for real-world data (Brown, 2011). As George and Mallery (2010) put a generally acceptable range for skewness and kurtosis for further analyses is between the ranges of ± 2.0 . Others extend the range of kurtosis up to ± 3.0 . Kurtosis statistics is used to measure the peakedness of the distribution. The reference standard is a normal distribution, which has a kurtosis of 3 and the lower bound is -3 (Brown, 2011). The following table shows the skewness and kurtosis statistics of the distribution.

Table 4.4 Skewness and Kurtosis

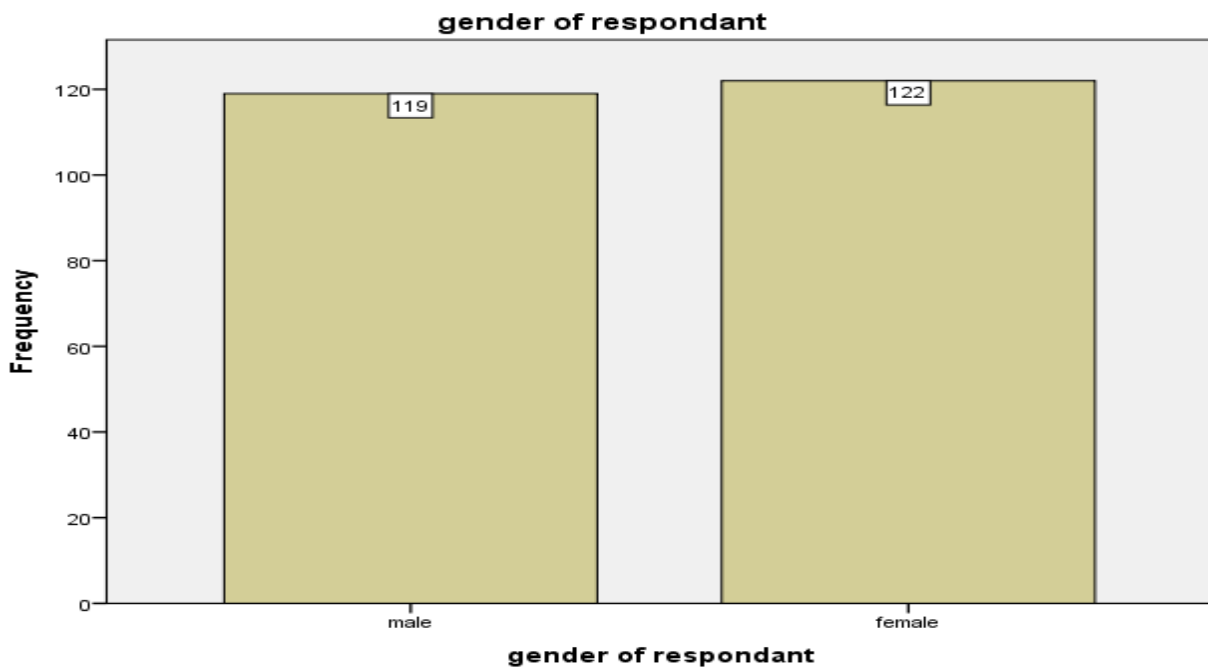
Descriptive Statistics

Descriptive Statistics							
	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
location facet	241	3.54	.651	-.188	.157	-.057	.312
technology facet	241	3.33	.736	.096	.157	-.454	.312
social skill	241	3.34	.699	.018	.157	-.398	.312
Motivation	241	3.49	.720	-.347	.157	-.082	.312
technical skill	241	3.45	.685	-.277	.157	-.418	.312
customer satisfaction	241	3.57	.729	-.675	.157	-.045	.312
Valid N (listwise)	241						

Source: Survey Data (2017)

The above table indicates that all variables are under the acceptable range of skewness which is between the ranges of ± 2 . For the two variables motivation and technical skill their kurtosis statistics shows a leptokurtic kind but other variables are under the acceptable range. The overall distribution is reflected as normal.

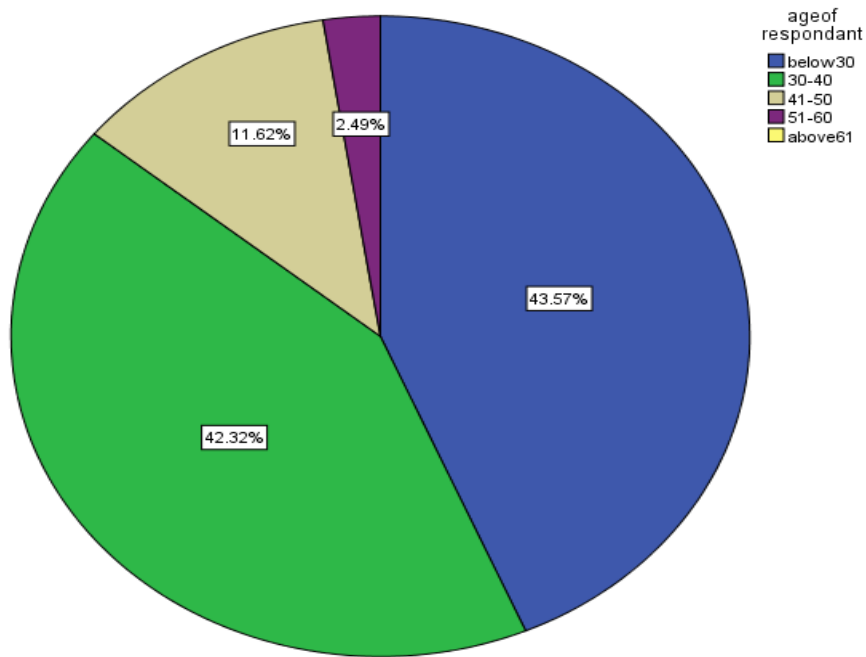
Figure 4.2 gender of respondent



Source: Survey Data (2017)

The above figure shows the ratio of male to female is almost 1:1 which indicates both male and female groups are equally use hotel services in the study area.

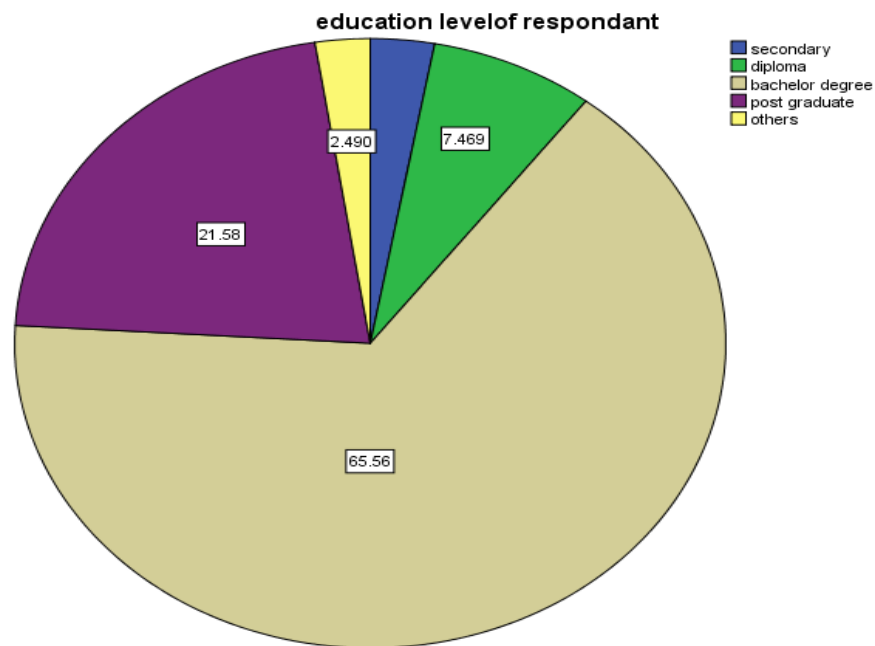
Figure 4.3 Age of respondent



Source: Survey Data (2017)

Figure 4.3 above shows that the valid age of respondents of structured questionnaire prepared for hotel customer. The summary figure indicated that the majority of the respondents are It indicates that young populations of the society with (43.57%) below age of 30 Other major age group is between 31-40 which have a share of 42.32 percent.

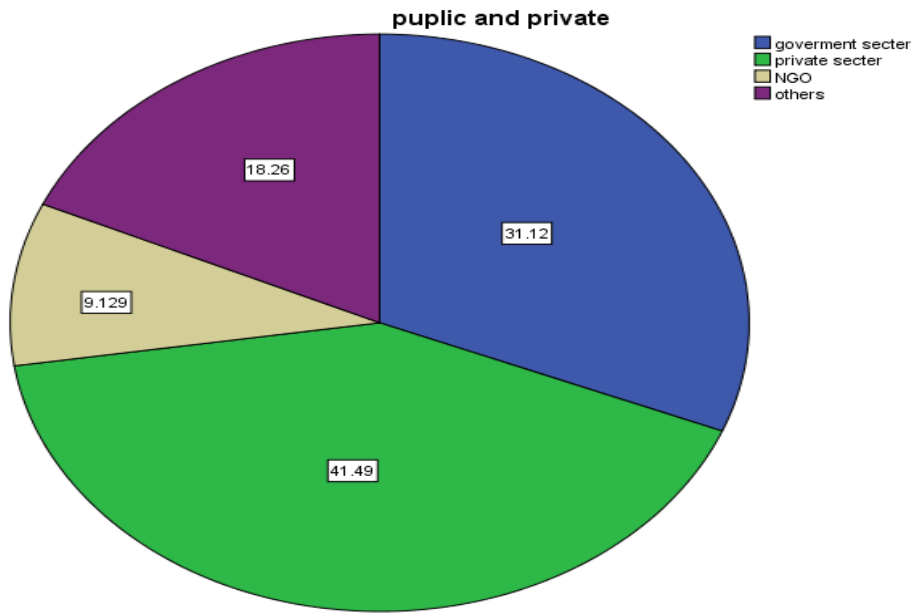
Figure 4.4 Academic Qualification



Source: Survey Data (2017)

Figure 4.4 Shows most of the respondents are first degree holders which constitutes 65.56 Percent of the total respondents. As indicated above, most of the respondents are young so, most young population which uses hotels has first degree. Another significant percentage is 21.6 which represent master's holders. Respondents with secondary and below secondary 5.4 percent of the total respondents. The rest 7.5 percent of the respondents are diploma holders.

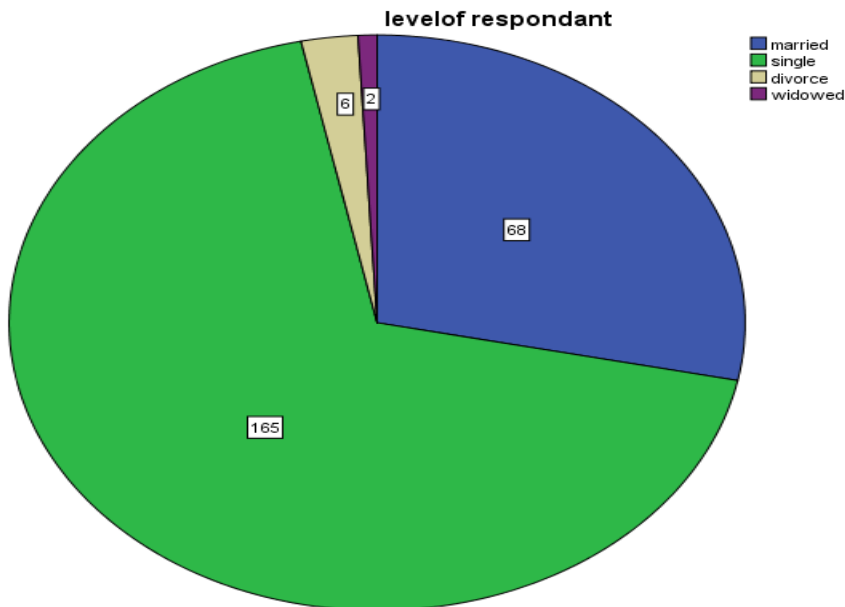
Figure 4.5 Sector of the respondent



Source: Survey Data (2017)

Figure 4.4 shows that 41.5 percent of respondents are a customer of private sector which is outside the government sector and 31.1 percent of respondents are comes from government sector the rest 9.1 percent of respondents are a customer of NGO and 18.3 percent are other customers of in four star hotels.

Figure 4.6 marital status of the respondent



Source: Survey Data (2017)

This the above figure show the marital status of the respondent from respondents of view, married accounted for 68 (28.2%), Single accounted for 165(68.5), divorce accounted for 6(2.5) and respondents who are widowed accounted for 2 (0.8) are stated in the above figure.

Table 4.5 Summary of Demographic Variables

Description of response	Response	
	Number	Percentage
A, Gender		
Female	122	50.6
Male	119	49.4
Total	241	100.0
B, Age		
Below 30	105	43.6
31-40	102	42.3
41-50	28	11.6
51-60	6	2.5
Above 60	-	-
Total	241	100.0
C, Qualification		
Secondary	7	2.9
Diploma	18	7.5
Bachelor Degree	158	65.6
Post graduate	52	21.6
Other	6	2.5
Total	241	100.0
D, Sectors		
Government sector	75	31.1
Private sector	100	41.5
NGO	22	9.1
Others	44	18.3
Total	241	100.0
E, Marital status		
Married	68	28.2
Single	165	68.5
Divorced	6	2.5
Widowed	2	0.8
Total	241	100.0
Total	241	100.0

Source: Questionnaires (own survey2017)

4.5 Hotel marketing Managers structured and Semi-structured Interview Demographic Profile

Table 4.6: Distribution of respondents by Gender

gender of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	4	36.4	36.4	36.4
Valid Female	7	63.6	63.6	100.0
Total	11	100.0	100.0	

Source: Survey result

The summary of 11 Hotel Managers with gender shows that males are 4 (36.4%) and females accounted for 7(63.6%). The distribution of sample respondents by gender given in table 1 above

4.5.1 Age of Respondents

Table 4.7 below shows that the valid age of respondents of structured questionnaire prepared for hotel managers. The summary table indicated that the majority of the respondents are in the age between 31-40 with 63.6 % and only 4(36.4%) are below age of 30.

Table 4.7: Distribution of respondents by Age

age of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 30	4	36.4	36.4	36.4
Valid 31-40	7	63.6	63.6	100.0
Total	11	100.0	100.0	

Source: Survey result

4.5.2 Sector and Position of respondents

All of the 11(100%) respondents business sector make straight with private sectors since no government owned four star hotels found in the city. Other summary table also shows that all of respondents are marketing managers in their position. The summary table shows such distribution found in table 4.8 and 4.9 below.

Table 4.8: Distribution of respondents by Sector of business

public and private

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Private	11	100.0	100.0	100.0

Source: Survey result

Table 4.9: Distribution of respondents by Position in the Hotel

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Private	11	100.0	100.0	100.0

Source: Survey result

4.5.3 Marital Status of the respondent

From respondents of view, married accounted for 5 (45.5%) and respondents who are single accounted for 6 (54.5) in table 4.10 below.

Table 4.10: Distribution of respondents by marital status

married respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	5	45.5	45.5	45.5
	Single	6	54.5	54.5	100.0
	Total	11	100.0	100.0	

Source: survey result

4.5.4 Distribution of respondents by level of Education

Table 4.11: Distribution of respondents by level education

		education level of respondent			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BA degree	6	54.5	54.5	54.5
	Post G	5	45.5	45.5	100.0
	Total	11	100.0	100.0	

Source: Survey result

Tables 4.11 above shows almost half of marketing managers are education qualification of Post Graduate with 45.5% and the remaining 6 (54.5%) are holders of BA degree.

4.6 Multicollinearity

In multiple regression analysis, the regression coefficients (viz., b_1 b_2) become less reliable as the degree of correlation between the independent variables (viz., X_1 , X_2) increases. If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the problem of multicollinearity (Kotari, 2004). Fortunately, collinearity is relatively easy to detect by calculating the tolerance or VIF (Variance Inflation Factor). A tolerance of below 0.10 indicates that (multi) collinearity is a problem. The VIF is just the reciprocal value of the tolerance. Thus, VIF values above ten indicate collinearity issues (Mooi and Sarstedt, 2011). According to this measurement none of the variables tolerance level is below 0.10 and their VIF above ten. So, there is no a Multicollinearity problem with the variable (see table 4.12 below).

Table 4.12 Collerity Statistics

Coefficients ^a			
Model	Collinearity Statistics		
	Tolerance	VIF	
1	location facet	.573	1.745
	technology facet	.591	1.693
	social skill	.548	1.825
	Motivation	.496	2.016
	technical skill	.495	2.022

a. Dependent Variable: customer satisfaction

Source: Survey Data (2017)

4.7. Correlation Analysis

Correlation analysis is one of the most widely used in research, it is often used to determine a relationship between two different variables, if so how significant or how strong is the association between variables. The correlation coefficient r is statistics used to measure the degree or strength of this type of relationship (Taylor, 1990). In this research the correlation analysis was performed to see the relationship between e. marketing and customer's satisfaction in four star hotels. Therefore, the correlation analysis will indicate the relationship between Location facet, Technological facet, Social skill, Motivation and Technical skill with customer satisfaction. To interpret the strengths of relationships between variables, the guidelines suggested by Taylor R, (1990), were followed. His classification of the correlation coefficient (r) is as follows: ≤ 0.35 is considered to represent low or weak correlation; $0.36 - 0.67$ is modest or moderate correlation; $0.68-0.89$ is strong or high correlation and a correlation with r coefficient ≥ 0.90 is very high correlation.

Again if the correlation result lies between -1 and 0 , the two variables are negatively related. However, the result is interpreted and discussed using this criterion in each dimensions.

Below Table 4.13 shows the Pearson correlation result with its significant level. When we see the correlation of location facet, technological facet, social skill, motivation, technical skill with customer satisfaction they have a significant Pearson correlation of 0.482 , 0.397 , 0.447 , 0.635 , and 0.680 respectively. From this result we can conclude that the independent variables and dependent variables are significantly correlated.

Table 4.13 Pearson Correlation

Correlations **. Correlation is significant at the 0.01 level (2-tailed).

		location facet	technology facet	social skill	motivation	technical skill	customer satisfaction
location facet	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	241					
technology facet	Pearson Correlation	.539**	1				
	Sig. (2-tailed)	.000					
	N	241	241				
social skill	Pearson Correlation	.483**	.558**	1			
	Sig. (2-tailed)	.000	.000				
	N	241	241	241			
Motivation	Pearson Correlation	.499**	.404**	.522**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	241	241	241	241		
technical skill	Pearson Correlation	.510**	.357**	.515**	.664**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	241	241	241	241	241	
customer satisfaction	Pearson Correlation	.482**	.397**	.447**	.635**	.680**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	241	241	241	241	241	241

4.8. Relationship between Location Facet and customer Satisfaction

The relationship between the two variables has moderate relationship at $r=.482^{**}$ the above Pearson correlation shows that location facets has significant impact on hotel customer satisfaction also association between location facets with hotels customer satisfaction with the value of ($r=.482$, $P<0.01$), these implies that customer satisfaction in the hotels e. marketing has significant and positive Correlation specifically with the location facets.

4.9 Relationship between Technological Facet and Customer Satisfaction

As shown in table 4.13 attempted to clarify the correlation between the technological facets as independent variable and customer satisfaction as dependent variable. As it is already shown, the two variables have influence each other significantly and positively. In addition, the $r=.397^{**}$ value indicates that technological facets of the e. marketing maintains moderate Correlation with the customer satisfaction in the context of four star hotels.

4.10 Relationship between Social Skill and Customer satisfaction

As shown in Table 4.13 tried to explain, the relationship between the social skill as independent variable and the customer satisfaction as dependent variable

. As it is already shown, the two variables have significantly positive relationships. This implies that, the two variables influence each other positively. In addition, the $r=.477^{**}$ value also implies that any change on social skill have a direct impact on customer satisfaction either positively or negatively.

4.11 Relationship between Motivation and Customer Satisfaction

The relationship between motivation and customer's satisfaction shows that the correlation result of the two variables, motivation and customer satisfaction is $.635^{**}$, this implies that the two variables are significant and positively related.

4.12 Relationship between Technical Skill and Customer Satisfaction

Technical skill was taken as independent variable and customer satisfaction as dependent variable. And the correlation result for this two variables is .680**, this implies the two variables are also significantly and positively related. In addition, the $r = .680^{**}$ indicates that Technical skill maintains strong or high correlation relationship with the customer satisfaction in context of four star hotels.

4.13 Regression Analysis

Regression analysis is one of the most frequently used tools in market research. In its simplest form, regression analysis allows market researchers to analyze relationships between one independent and one dependent variable. In marketing applications, the dependent variable is usually the outcome we care about, while the independent variables are the instruments we have to achieve those outcomes with. It can also help make predictions (Mooi and Sarstedt, 2011).

4.14 Multiple regression analysis

To identify the electronic marketing that make the greatest contributions to overall customers satisfaction in four star hotels, multiple regression analyses were conducted with overall customers satisfaction as the dependent variable and the five variables are (Location facet, Technological facet, Social skill, Motivation and Technical skill) as the independent variables. The result has been shown below.

Table 4.14 multiple regression

Model	R	R Square	R Square	Std. Error of the Estimate
1	.734 ^a	.539	.529	.500

a. Predictors: (Constant), technical skill, technology facet, location facet, social skill, motivation

b. dependent variable customer satisfaction

Source: Survey result from respondents

R, the multiple regression coefficients, is the linear regression between the observed and model-predicted values of the dependent variable. Its large value indicates the strength of the relationship.

From the table above, R Square (0.529) the coefficient of determination shows that about .529 percent of the variation in overall service quality is explained by the model. Or which means .529 percent of the variance in customers satisfaction is influenced by the five variables that are Location facet, technological facet, social skill, motivation, technical skill.

Similarly, ANOVA table provides similar information with the model summary (table Depending on the ANOVA table, overall significance/acceptability of the model from a statistical perspective can be determined. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$ the model is significant, which means that the variation explained by the model is not due to chance.

The interpretation of the sum of square column of the table is similar with the results of R square. It display information about how much of the variation in customers satisfaction is accounted by the predictor variables and how much is not. ANOVA test was also conducted as shown below.

Table 4.15 ANOVA for Customer Satisfaction

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	68.684	5	13.737	54.864	.000 ^b
Residual	58.839	235	.250		
Total	127.523	240			

Source: Questionnaires

a. Dependent Variable: customer satisfaction

b. Predictors: (Constant), technical skill, technology facet, location facet, social skill, motivation

Analysis: F value is 54.864 at significant level of 0.000 Coefficients'

The table below shows the constant, beta, and significance level of each variable. It indicates that except location facet, technological facet, and social skill the two variables motivation and technical skill influence customer satisfaction significantly. As the constant and B values are known the model will be:

$$Cus\ Sat = 0.425 + 0.089Loc\ Fac + 0.093Tec\ Fac + 0.008Soc\ sk + 0.284Mot + 0.451Tec\ sk + 0.05$$

Multiple Regression for Customer Satisfaction

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.425	.209		2.035	.043
location facet	.089	.066	.079	1.355	.177
technology facet	.093	.057	.094	1.625	.105
social skill	-.008	.062	-.008	-.136	.892
Motivation	.284	.064	.280	4.456	.000
technical skill	.451	.067	.424	6.734	.000

a. Dependent Variable: customer satisfaction

Statistically significant ($p > 0.05$).

Hypothesis Testing

H1: Location facets have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa.

H2: Technological facets have significant and positive effect on customer satisfaction in four star hotels in Addis Ababa.

H3: There is a positive and significant effect between social skill and customer satisfaction in four star hotels in Addis Ababa.

H4: Motivation positively and significantly affects customer satisfaction in four star hotels in Addis Ababa.

H5: Technical skills have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa.

H1: Location facets have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa.

The regression result of location facet with customer satisfaction shows that insignificant level of influence at 95 percent confidence interval with a sig. value of 0.177. Because the significant >0.05 This result shows the rejection of the first hypothesis.

H2: Technological facets have significant and positive effect on customer satisfaction in four star hotels in Addis Ababa.

The regression result of technological facet with customer satisfaction shows that insignificant level of influence at 95 percent confidence interval with a sig. value of 0.105. Because the significant >0.05 This result shows the rejection of the second hypothesis.

H3: There is a positive and significant effect between social skill and customer satisfaction in four star hotels in Addis Ababa.

The regression result of social skill with customer satisfaction shows that insignificant level of influence at 95 percent confidence interval with a sig. value of 0.892. Because the significant >0.05 this result shows the rejection of the third hypothesis.

H4: Motivation positively and significantly effects customer satisfaction in four star hotels in Addis Ababa

The output of the regression analysis shows that motivation has a significant positive influence on customer satisfaction with a sig. value of 0.000. A single unit change in motivation will affect customer satisfaction by 0.284. Thus, the forth hypothesis is supported.

H5: Technical skills have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa

The output of the regression analysis shows technical skill has a significant positive influence on customer satisfaction (sig. 0.000). When reputation is changed by a single unit customer Satisfaction will be affected by 0.451. This beta value is the highest among all variables so; we can say that technical skill is the highest influencer of customer satisfaction than the other variables. Due to this result, the fifth hypothesis is supported.

Table 4.16 Descriptive Statistics all variable

	N	Minimum	Maximum	Mean	Std. Deviation
location facet	241	2	5	3.54	.651
technology facet	241	2	5	3.33	.736
social skill	241	2	5	3.34	.699
technical skill	241	2	5	3.45	.685
Motivation	241	2	5	3.49	.720
customer satisfaction	241	2	5	3.57	.729
Valid N (listwise)	241				

Source: Questionnaires

Table 4.17 Overall customer satisfaction**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Overall customer satisfaction	241	2	5	3.57	.729
	241				

Source: Questionnaires

According to table 4.17 customers overall satisfaction has mean score of 3.57 which shows customers of four star hotels found in Addis Ababa, are satisfied with the hotels e. marketing services of the hotels.

4.18 Summary of Hypothesis Test

The following table shows hypothesis of the study, method used to test proposed hypothesis and its outcome.

Table 4.18 Summary of Hypothesis Test

Hypothesis	Description	Analysis method	Remark
H1	Location facets have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa.	Regression	Rejected
H2	H2: Technological facets have significant and positive effect on customer satisfaction in four star hotels in Addis Ababa.	Regression	Rejected
H3	There is a positive and significant effect between social skill and customer satisfaction in four star hotels in Addis Ababa	Regression	Rejected
H4	Motivation positively and significantly affects customer satisfaction in four star hotels in Addis Ababa	Regression	Supported
H5	Technical skills have a positive and significant effect on customer satisfaction in four star hotels in Addis Ababa	Regression	Supported

4.16 Hotel Marketing Managers response analysis in four stare hotels

4.16.1 Frequency of Promoting on Internet

When asked about how often sample hotels promote their company promotes through online, 54.5% of respondents said they promote every day using internet and the rest 45.5% promote weekly basis. The frequency of hotels marketing managers’ responses shown on table 4.19.

Table 4.19: Frequency of hotel promotion using internet

	Frequency	Percent	Valid Percent	Cumulative Percent
e. day	6	54.5	54.5	54.5
Valid e.week	5	45.5	45.5	100.0
Total	11	100.0	100.0	

Source: Survey result

4.16.2 Objective of using e-marketing in four star hotels

As shown in table 4.20 9(81.8%) of hotel managers said they use e-marketing mostly to expand the market at international level. The remaining 2 (9.1% each) respondents said e-marketing to reach new customers and for other purposes.

Table 4.20 Distribution of objective of using e-marketing

	Frequency	Percent	Valid Percent	Cumulative Percent
to expand	9	81.8	81.8	81.8
Valid to reach	1	9.1	9.1	90.9
Other	1	9.1	9.1	100.0
Total	11	100.0	100.0	

Source: Survey result

4.16.3 Competitive Pressure to apply innovative e-marketing service

From table 4.20, 54.5% of respondents said competitive pressure much affect to apply innovative e-marketing practices and 36.4% said competitive pressure very much derive hotels to apply innovative e-marketing for customer satisfaction. Whereas only 1 respondent said very little affect to apply e-marketing.

Table 4.21 Frequency of applying innovative e-marketing

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very much	4	36.4	36.4
	Much	6	54.5	90.9
	very little	1	9.1	100.0
	Total	11	100.0	100.0

Source: Survey result

4.16.4 Top management discussion on competitors strength and weakness in e-marketing

When asked about to managements discuss competitors' strength and weakness in their e-marketing, 54.5 % said they strongly agree about the case and 27.3% of respondents neutral about the discussion undertaken in their hotels as shown in table 4.22.

Table 4.22 Top Management discussion on competitors' e-marketing position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	6	54.5	54.5
	Agree	2	18.2	72.7
	Neutral	3	27.3	100.0
	Total	11	100.0	100.0

Source: Survey result

Generally from structured and semi-structured interview questionnaire filled by marketing managers of hotels, the last question regarding the general comment on opportunities and challenges of applying e-marketing, 9 of respondents said the overall network condition of the country mentioned as a challenge and 5 of them skipped without giving answer. On the other hand from 14 respondents of marketing managers 3 of them were not willing to give required information about their respective hotels.

CHAPTER FIVE

5. SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

Chapter Overview

This chapter presents major findings, conclusions and recommendation obtained from the analysis and interpretations made at the pervious chapter and also implications for further research are forwarded.

5.1. Summary of Finding and Conclusion

5.1.1 Summary of Finding

The following major findings are obtained:

The finding of this research indicates that there is a significant and positive relationship between Location facet and customer satisfaction; technological facet and customer Satisfaction; social skill and customer satisfaction, are moderate relationship on the other hand motivation and customer satisfaction, and technical skill with customer satisfaction are strong relationship.

Location facet, technological facet, and social skill are insignificant and also rejected on the other hand the two of the variables (motivation and technical skill) have a significance, positive and also supported influence on customer satisfaction. From the whole variables technical skill has higher positive influence on customer satisfaction.

5.1.2 Conclusion

This study has the objective to examine the effect of electronic marketing on customer satisfaction, by taking location facet , technological facet, social skill, motivation and technical skill as independent variables and also taken overall customer satisfaction as a dependent variable so as to run different analysis and to answer basic research questions finally the conclusion stated as follow:

According to the regression result, technical skill, motivation have significant and positive effect with overall customer satisfaction this supported by the result of Lonelyp (2011) in his study. Also location facet, technological facet and social skill variables have insignificant effect with overall customer satisfaction this finding supported by the result obtained by Ahmed M et al (2013) in their study.

The result of the regression analysis shows a positive effect between the two independent variables which is motivation and technical skill the dependent variable as the coefficient of independent variables carried positive signs. The relative importance of hotel electronic marketing factors to customer's overall satisfaction is determined by looking at the standardized beta coefficient. The factor which had the greatest impact on the overall customer satisfaction has been technical skill with a beta coefficient of 0.451. This indicates technical skill explain 45.1 percent of variance in hotels customers rating of overall customer satisfaction on the hotels e. marketing.

Nevertheless, the researcher was able to conclude that the management perception toward e. marketing is in significance and emphasizes more on the location facet, technological facet and social skill variables. For the most part, managers overestimate their e. marketing variable as they compare to other.

5.2 Recommendations

The study confirmed that the two electronic marketing variables which is motivation and technical skill are positively significant with overall customer satisfaction; hence the hotels should give strong emphasis to all e. marketing dimensions in maintaining and improving the e market of the hotel. Up on this, the following recommendations are forwarded for those who engaged in hotel service sector by the researcher.

➤ In this study among these e. marketing variables, technical skill shows the highest significance positives effect with customer satisfaction, therefore it is advised to pay attention by the hoteliers because the technical skill that found on the e. market should give relevant information starting from hotels service up to the area where the hotel located and also about new events that takes place, as well as other technical skill which makes the hotels different from other, though the hotel should give special attention to this variable because it determine customer satisfaction. On the other hand from the beta value we have seen that technical skill was the highest influencer of customers' satisfaction. So that, in order to attract new customers and also satisfy and make their customers loyal in hotel should work hard on building their technical skill.

➤ Motivation is the other factor that is positive and significant in determining overall customer satisfaction. It is related with different instruments and organization and easy to navigate the website; if failure occurs on this future customers become dissatisfied. So, the hotelier is advised to pay special attention to motivation of the e. market by participating professionals when the motivation to turn out satisfied hotel customers.

➤ According to correlation result of this research indicates that there is a significant and positive relationship between Location facet and customer satisfaction; technological facet and customer Satisfaction; social skill and customer satisfaction, motivation and customer satisfaction, and technical skill customer satisfaction. So, by considering this the management of hoteliers should take actions in order to improve their customers' satisfaction.

➤ In addition to the researcher's observation the e marketing of the hotel should be up to date and also informs customers about new events and daily information through e. marketing base.

5.3 Further Research Implication

This study has been limited on electronic marketing by participating four star hotels. The proposed model could be modified to allow measurement of customer perception across different sectors of hospitality such as restaurants, tour operators, car rent services, travel agencies and so on. This would enable a direct comparison of results across different types of supply-side stakeholders.

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Appendices

Appendix1. Survey questionnaire

ADDIS ABABA UNIVERSITY

School of Commerce

Regular Marketing Management (MA)

A Questionnaire to be filled by Customers of hotels

Dear Respondents,

My name is Adam Menberu. I am a post graduate student at Addis Ababa University, School of Commerce. This questioner is designed to investigate “**The effect of electronic marketing on customer satisfaction the case of four star hotels in Addis Ababa**” The researcher hopes that you will provide the necessary information genuinely and in faithful manner, since your information is very important to achieve the objective of the study. The information that you will be provide will be kept confidentiality and for the research purpose only.

Please don't hesitate to call (+251912721866 or +251913772759) e-mail ademan616@gmail.com for any question you may face

First: Personal Information:

1.	Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female			
2.	Age	<input type="checkbox"/> >30	<input type="checkbox"/> 31-40years <input type="checkbox"/> 41-50	<input type="checkbox"/> 51-60		
3.	Qualification	<input type="checkbox"/> Below secondary	<input type="checkbox"/> Secondary	<input type="checkbox"/> Diploma <input type="checkbox"/> Bachelor Degree	<input type="checkbox"/> Post Graduate	<input type="checkbox"/> Others
4.	Sectors	<input type="checkbox"/> Government sector	<input type="checkbox"/> Private Sector			
5	Marital status:	Married <input type="checkbox"/>	Single <input type="checkbox"/>	Divorced <input type="checkbox"/>	Widowed <input type="checkbox"/>	

Note: kindly put a (v) mark with the option that reflects your level of agreement with the given statement.

- | | |
|----------------------------|------------------------|
| 1. Strongly disagree (SDA) | 4. Agree (A) |
| 2. Disagree (DA) | 5. Strongly agree (SA) |
| 3. Undecided (UD) | |

	1	2	3	4	5
Location facets					
1. Does competitive pressure drive the hotel's usage of innovative electronic Marketing?					
2.The hotel area is consistent in providing quality e - marketing services					
3. The hotel location do you use the electronic marketing to enable you to access target markets?					
4.The hotel location fulfills its obligation to customers					
5.I have confidence the hotel location's in e. marketing services					
6.The hotel location is flexible in serving my e-marketing needs					
7.The hotel location easy to for the practice of e. marketing					
8,The hotel location attract to the customer with the practice of e. marketing					
9.The hotel location keeps a closed eye to the customer's e. marketing Service					
2.Technological facets	1	2	3	4	5
1. Do you rate the current status of this hotel's online presence?					
2. Does this hotel created an online community for customers like on Face book, twitter or related social networks?					
3.The hotel e. marketing technology is flexible when its services are changed					
4. Often do you notice this hotel promote itself on electronic Marketing?					
5. Does this hotel use any sort of Global Distribution System?					

3.Social skill	1	2	3	4	5
1. Do you see this hotels promote/advertise its services on Social skill using e-marketing?					
2. Do you see Every day it promoting on social Media?					
3. The employees of this hotel are able to consider their customers' perspective.					
4. The employees of this hotel have extensive social skills to help					

4. motivation	1	2	3	4	5
1. The hotel has maintained a good relationship with its customers through online marketing					
2. The hotel will still put its customers in a first priority even under economic recession.					
3. Your future relationship with the hotel is variable on how it achieves shared goals					
4.The employees of this hotel are always highly motivated in responding online request					
5.Technical skill	1	2	3	4	5
1.The hotel ability to handle the complaints is efficient and fast					
2. The hotel does maximum efforts to maintain relationship with customers.					
3. The employees of this hotel are technically effective in online presence					
4.Offering hotel service to the customer based on their age					
5. The hotel service Assigning employees to the job based on their skills and abilities.					
Customer satisfaction	1	2	3	4	5
1. I am satisfied with the relationship I had with the employee of this hotel.					
2.Decision to choose this hotel service is wise through online					
3. I am satisfied with overall hotel services obtained through					
4. I was happy with the effort made applying e-marketing.					

Thank you for your kind cooperation.

Appendix2. Survey questionnaire structured and semi- structured

ADDIS ABABA UNIVERSITY

School of Commerce

Regular Marketing Management (MA)

Structured Interview for Hotel General Managers or Marketing Managers

Dear Respondents,

My name is Adam Menberu, I am a post graduate student at Addis Ababa University, School of Commerce. This questioner is designed to investigate “**The effect of electronic marketing on customer satisfaction the case of four star hotels in Addis Ababa**” The researcher hopes that you will provide the necessary information genuinely and in faithful manner, since your information is very important to achieve the objective of the study. The information that you will be provide will be kept confidentiality and for the research purpose only.

Address of the Researcher: Mob. +251912721866 / +251913772759 e-mail ademan616@gmail.com

First: Personal Information

1.	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
2.	Age	<input type="checkbox"/> Below30years <input type="checkbox"/> 30less than40years <input type="checkbox"/> 40less than50years <input type="checkbox"/> 50less than60
3.	Qualification	<input type="checkbox"/> Below secondary <input type="checkbox"/> Secondary <input type="checkbox"/> Diploma <input type="checkbox"/> Bachelor Degree <input type="checkbox"/> Post Graduate <input type="checkbox"/> Others
4.	Sectors	<input type="checkbox"/> Government sector <input type="checkbox"/> Private Sector
5.	Marital status:	Married <input type="checkbox"/> Single <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed <input type="checkbox"/>
6.	Your status in the hotel	Marketing manager <input type="checkbox"/> . General Manager <input type="checkbox"/> Front office Manager <input type="checkbox"/> If any other please specify_____

Note: kindly **circle** with the option that reflects your level of agreement with the given statement.

1. How often do you promote your hotel on e. marketing base?

- A. Every day
- B. Every week
- C. Every month
- D. Once in a while
- E. Almost none

2. What is the main objective for your hotel of using electronic Marketing?

- A. To expand the market globally
- B. To reduce advertising cost
- C. To reach new customers/develop market
- D. To keep pace with competition
- E. Other, please specify_____

3. Does the person who performs electronic Marketing have special skills or attain any form of training on how to best use the electronic Marketing?

- A. Yes
- B. No

4. Your property responds on rapidly to competitors' action electronic Marketing use

- A. Strongly agree (5 points)
- B. Agree (4 points)
- C. Neutral (3 points)
- D. Disagree (2 points)
- E. Strongly disagree (1 point)

5. How did most of your customers hear about you for the first time?

- A. Via promotion on internet
- B. Via promotion on print ads
- C. Via promotion on mass Medias
- D. If other please specify_____

6. Your business utilizes the electronic marketing more than other marketing

Communication tools to increase customer base

- A. Strongly agree (5 points)
- B. Agree (4 points)
- C. Neutral (3 points)
- D. Disagree (2 points)
- E. Strongly disagree (1 point)

7. How far does competitive pressure drive your hotel's usage of innovative electronic Marketing on customer satisfaction?

- A. Very Much (5 points)
- B. Much (4 points)
- C. Neutral (3 points)
- D. Little (2 points)
- E. Very little (1 point)

8. What percentage of your total reservations is currently coming due to?

Promotions/advertisements via:

(Should add to 100%)

Internet_____%

SMS_____%

Newspaper_____%

Magazine ad_____%

TV ad_____%

Others_____%

9. Generally has your hotel benefitted from the e. marketing promotion and has a positive relationship on your customer base growth?

A. Yes B. No

10. Our top management/owners regularly discusses competitors strength and weakness on electronic Marketing use

A. Strongly agree (5 points)

B. Agree (4 points)

C. Neutral (3 points)

D. Disagree (2 points)

E. Strongly disagree (1 point)

11. What in your opinion are the opportunities & challenges of applying electronic Marketing in your Hotel? _____

Thank you once again for your kind cooperation.

Appendix 3: List of Four Star Hotels in Addis Ababa

No	NAME OF HOTEL	STAR	No of Rooms	No. of Beds	TEL NO	E-Mail
1	Debre damo hotel	4	102	102	115509828 116612630	reservation@debredamohotel.com
2	Dreamliner Hotel	4	96	110	011 467 4000-7	marketingmanager@dreamlinerhotel.com
3	Friendship hotel	4	104	104	116670201 116670202	marketing@friendshiphotel.com.et
4	Harmony Hotel	4	150	176	116183100 116612389	info@harmonyhotelethiopia.com
5	Intercontinental Hotel	4	151	190	011 550 5066 115180444 115540090	reservation@intercontinentaladdis.com
6	Jupiter int. Hotel (kazanchis)	4	102	112	115527333	info@jupiterinternationalhotel.com
7	Jupiter Int. Hotel (Bole)	4	40	52	116616969	info@jupiterinternationalhotel.com
8	Momona Hotel	4	60	80	0116672201/07	reservation@momonahotel.com
9	Nazrahotel	4	24	27	114674465 114666676	lf0@nazra hotel. Com
10	Nexus hotel	4	66	66	111112345 1116670067	Info@nexusaddis.com Info@nexus hotel.com
11	Saromaria hotel	4	87	87	0113728000/1 1116672167	info@saromariahotel.com/reservation@saromariahotel.com stay@saromari hotel.com
12	Sarem International Hotel	4	43	62	011262087/091 1518807	reservation@sarehotel.com

13	Washington hotel	4	70	85	911855738	info@washingtonaddis.com/reservations@washingtonaddis.com
14	Tegen Guest Accommodation Hotel	4	32	64	011 618 2870 116182871	info@tegenhotel.com info(at)tegen hotel.com

Source: MoCT (2017)