

# Impact of influencer marketing on hotels & cafes

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**Abstract:** This research paper illustrates the impact of influencer marketing on hotel business of Mumbai suburbs including Pune city. As internet service is growing rapidly and people are spending their time on social media platforms is growing hence there is a noticeable growth in influencer marketing as well. Also google now a days showing third-party hotel reviews, hotels need to keep up with the ongoing marketing trends. Let it be travel and tourism or hotel industry or technology industry most of the business have started using influencer marketing. As this kind of marketing can help the business grow and keep their clients or customers engaged on their social media sites. This researcher will provide the information about influencer marketing and its impact on the local hotel industry. Whether the hotel industry actually get benefited with this type of marketing. And how exactly do hotels invest in this marketing process. And also, if the reviews given by the influencers are actual honest or not. And which platforms are preferred by hotels for this type of marketing. How exactly the collaboration between influencers and the local hotels takes place. And the returns that hotels receive on investing on this type of marketing. And how influencer marketing helps the hotels to grow.

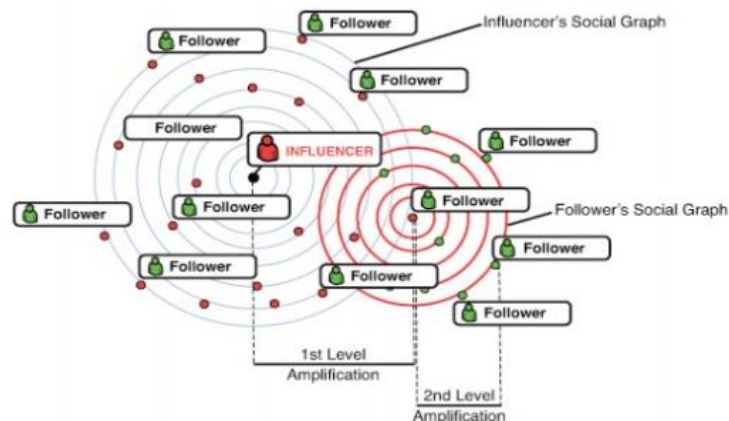
**Keywords:** Influencer Marketing, Social media marketing, hotel industry, social media, internet marketing, marketing

## 1. Introduction:

The word "Influence" can be broadly defined as the power to affect a person, thing or course of events (Brown&Hayes, 2008) . Brown and Hayes define an Influencer as "A third-party who significantly shapes the customer's purchasing decision, but may ever be accountable for it." (Brown&Hayes, 2008). This research is conducted to understand how influencer marketing has impacted on hotel /restaurant industry in Mumbai, Mumbai suburb and Pune city. (Timilsina, 2017) The digital age has played a vital role in the growth of A company, especially for start-up companies. (Timilsina, 2017). In today's era influencer marketing has become one of the ways of marketing. marketing influencer uses Digital media as it has become a simple and effective marketing platform to reach out to the mass audience. (Timilsina, 2017) Influencer marketing is a form of marketing that focuses on using key leaders to drive your brand's message to the wider market. Instead of marketing directly to a large group of consumers, you pay or approach influencers and get the word out for you. Many influencers are receiving Free brand products in return for an acknowledgement in one of their videos and Social media platforms like Instagram, Facebook and many more. Some are even paid to create a sponsored platform. posted content helps to market the product or services and create awareness about it.

Types of influencer marketing

- Nano influencer
- Micro influencer
- Mega influencer



## 2. Problem statement:

While influencer marketing is something which any entrepreneur is talking about, quantitative research on its effect or whether or not it impacts consumers of age groups has still not been implemented so far. The problem area found was that no conclusive evidence was drawn regarding the difference in impact caused by influencer marketers when the content is sponsored versus when it is not. The main aim of this research is to identify the consumer perception and influencers role in spreading awareness and

influencing consumer cognitive, behaviour and affective to drive their purchase intent. The role of influencers in digital marketing communication is widespread but is not backed by empirical evidence. (Nagori, 2020)

While influencer marketing is something that any marketer is talking about, conclusive research on its effect and whether or not it impacts customers of different age groups has not been undertaken so far. There has been no research on the best channels on which influencers may target their customers, understanding which a marketer will be able to reach a more desirable audience, based on the type of content they produce. Another issue area found was that when the material is funded or when it is not, no definitive conclusions were drawn on the disparity in effect generated by influencer marketing. (Nidamarthy, D' mello, & J.C, 2020)

Satisfaction of food and appreciation can be assessed through sensorial perceptions tests. Most of the studies did it showing real food to respondents and applying Fixed-point scales (FPS) or visual analogue scales (VAS), which are examples of rating methods. Also two fundamentally sensorial perceptions can be played via social media channels, platforms and apps: vision and sound. Therefore, it does seem easy to recommend and determine which variables influence the food consumer's preference when using a smartphone and consuming user-generated material, even though only multiple visual experiences are involved. Conversely it is not, due to the high complexity of possible associations which come to a person's mind when a picture or video of food is showed to him or her. (Cornejo, 2017)

In Applied Marketing, this research was a contemporary subject concentrating on customer behaviours against food reviews posted on Instagram. The main purpose of this research is to explain how food bloggers' reviews on Instagram impact the consumer decision process when choosing a restaurant in Bangkok. The findings would explain a better knowledge on consumer insights which would help marketers to develop the effective marketing strategy, influencer marketing and communication in order to capture their impression, encourage their purchasing activity, and make it easier for food bloggers to improve their content and increase more exposure. (Hanjeerapanya, 2017)

### **3. Need for Study**

Study signifies the impact of influencer marketing on cafes and restaurants in the suburbs of Mumbai and Pune. The data is collected through online mode by google forms due to pandemic situations. The study will help you determine whether you should use influencer marketing or not, provided your opening a restaurant or café in that area. This study will also help us determine what marketing strategies one should use while starting a café or restaurant.

### **4. Literature review**

How do guests choose hotels? Are they influenced by personal expectations, or do their choices reflect what they believe others expect of them? What is the role of social influence on guests' decisions? Do guests compare competing offers and make purposeful choices? Marketing is the most critical step when a specific service or product is to be introduced on the brand. Advertising influences individual's attitudes behaviour and lifestyle. (Darda, 2019). In different topics, the hotel sector has grown from private hotels, resorts, restaurants and now cafes. Now, you'll find fancy cafes for a few days if you go somewhere in the country. The newspapers used were news reports, hoardings, pamphlets, well its changed due to the introduction of emerging technology, despite the old days when we had no social media channels for selling the new restaurant

(Woods, 2016) As social media platforms are growing and evolving its important for the brands to stay relevant. Utilization of influencer marketing can be one of the ways to sustain in the market. Influencer marketing is the area where there is potential where the brands can explore. As there is a increase in advertising agencies and increase in the spending on social media the agencies have started to include the social media marketing. There are multi media agencies that are dedicated to provide social media as the first solution. When it comes to working with influencers that the brands are aware of paid and non-paid partnership. This is done in a variety of ways, most commonly by using the hashtags #ad and #sponsored in the post. Its important for brands to get to a trustworthy influencer. The social media influencer was born due to lack of opportunity to advertise on social media. Where the brands would seed their content or product via influencers so that there can be awareness created amongst the customers. The use of influencer marketing can serve reach and engagement for the brand. As influencers are the people that look up to for any suggestions about any things. So, investing in this kind of marketing can serve a virtual word of mouth and awareness about the brand and hence effectively influence the potential buyers.

(Ms. Aruna Nidamarthy, 2020) Marketing has grown exponentially over last few years and also there are new trends. Now a day's companies, organizations, and even government are looking for new ways to reach customers. Influencer marketing is used to create a trust between customers and organizations by making use of individuals. As there is a visible growth in social media platforms these individuals called as influencers use these platforms to communicate with their audience. The social media platforms that are used are Instagram, followed closely by Facebook and YouTube. There are different age groups that show positive results on trusting opinions and trusting the reviews. The age group of 22 to 25 is the most influenced of all the groups. This indicates that the consumers are the young generation people. Hence there is a positive effect on the customers if the right set of influencers are chosen. Marketers should keep in mind that there are 2 types of influencers that is the paid review and the unpaid ones but the marketer should be. Also, giveaways can be considered as a part of influencing where these influencers create awareness about the product and hence it can reflect in to positive growth of the brand. However, its not important that these influencers would always provide with a positive review the honest review can be also negative. So, the businesses should reach out to correct influencers. And provide them with some personalized products and appropriate products. As the product will be of their benefit it can give a positive review.

(ÁDEKOVÁ, 2018) Influencer marketing is a type of marketing that influences customers to buy any product or service. This market is runed by individual expertise, popularity, reputation. This kind of marketing is like mouth of word. By creating Instagram, Facebook, YouTube followers which can give greater and better opportunities for the industries. As in the past also the branding was focused on the known personality and now it has moved to the well - known bloggers and today it is all about the everyday

consumer who have huge impact. Now a days more and more brands and companies are focusing on the new marketing opportunities to represent themselves. But these influencers do bring a lot of questions related to their principles, authenticity and credibility. There are 2 generations Y and Z as the studies were conducted only 48% of people were knowing about this term fully. From those there were 66% of people who followed the vloggers and bloggers. And Facebook was one of the applications used by generation Y and Instagram is the application that is used by generation Z. brand marketers are very eager to partner with influencers, particularly to attract the Millennials. In 2018 the average internet users at least have 7 social media accounts. And they spend almost 2 hours a day on these platforms. Influencer, especially youtubers have a great impact on internet economy by influencing purchasing behavior of young generation.

(Costa, 2019) In the contemporary digital age, there are currently over 3.6 billion Internet subscribers, representing almost 50 percent of the world's population. Mass marketing is not as prevalent as it used to be with the advent of the Internet and the marketing tactics that come with it, with a very large number of people connecting and exchanging information through this medium in today's era. In order to understand the changes taking place in Internet consumption, it is important to keep up with changing Internet consumer behaviour, as Internet technology continue to evolve. Due to Internet technology, information and communication flows have improved significantly. Therefore, the way people hold themselves up-to-date with news and developments has changed altogether. Via email, photographs, blogs, photos and status updates on social networking sites (SNS) such as Facebook, LinkedIn or microblogs such as Twitter, networking and connectivity are now encouraged by social media.

(Kalu, 2019) Social networking is defined as a community of internet-based networks founded on an ideological and technological basis that enables users to generate and share content and information. Businesses and various government agencies have been using social media sites to engage their consumers and people as part of their communication channels. This indicates that their network is primarily driven by customer purchasing decisions. Social media marketing can be performed in the following ways:

- Weblogs
- Social blogs
- Microblogging
- Wikis
- Podcasts
- Pictures
- Videos
- Rating and social bookmarking

Traditional marketing techniques have been affected by the growth in the use and utilization of social media channels, and as such, various organizations have adapted their marketing strategies to the internet-based marketing of their product to attract a greater number of buyers.

## I. Digital Marketing

Marketing is an operation carried out by an organization to promote the buying or selling of a product or service. It includes advertisement, selling and supplying merchandise to other businesses or clients. Professionals working in the publicity and promotion divisions of an organization strive to gain the interest of important target customers through advertising. When people began to use more than just print media to advertise a product, present-day marketing started in the 1950s. As TV and soon, the internet entered households, marketers could conduct entire campaigns across multiple platforms. Marketers had become gradually essential to fine-tuning how a business promotes a product to consumers to enhance success over the last 70 years.

Digital Marketing uses platforms for social media, such as Facebook, YouTube, Instagram, Twitter for campaigns where ad campaign measurements are set by targeting clients of various age groups, based on the planned budget and even on places to be targeted, although conventional marketing strategies cannot be used. (Thant, 2019)

## II. Influencer Marketing

The Internet has modified the standard ways of doing business and creating relationships with clients, the way businesses and customers communicate, as well as transactions. Internet shopping has significantly extended traction and is universally understood as a purchasing method for goods and services. Influencer marketing has been a strategy that has lately been heavily hyped, and can be defined as a method of marketing involving practices aimed at defining and establishing relationships with individuals who are willing to influence potential customers.

Influencers were people who are considered as Opinion Leaders on Social Media platforms in a particular area of interests. For a successful collaboration or an influencer with a strong friendship with his fans, an interaction between the influencer's name and the product was crucial, which contributed to an advanced credibility. While others believed that having the higher number of supporters was necessary, as an influencer to elicit a better response from his supporters. An influencer with a significant number of followers (macro-influencers) may be considered more credible than influencers with a smaller number of followers (micro-influencers). However, some advertisers find that because of the viewers who were interested in the subject or the commodity, micro-influencers more likely have higher participation rates; the influencer encourages rather than simply being follower. (Thant, 2019)

Social media have a powerful impact on business .and so thus influencer marketing. The traditional way for social media has decreased Success of business, where marketers used to depend on radio, television, newspapers, pamphlets & Direct mail for marketing purposes. As social media platforms provide for direct screening, therefore, the impact of Marketing through social media can influence more than the traditional manner. Recently, new research has shown that influencer marketing has a vital role to play in developing a hype to get it and Consumers need to buy. Social media networks have been used to create buzz over the last decade. (Timilsina, 2017)

**5. Research methodology-**

This research paper consists qualitative and quantitative research method. Also, both secondary and primary data was collected. Moreover, to understand how exactly influencer marketing impacts restaurants and café’s a detailed survey of 10 questions was taken via google forms which can be termed as primary data for research conducted. The survey was conducted through online mode where we approached restaurants and cafes through E-mails and Instagram direct messages.

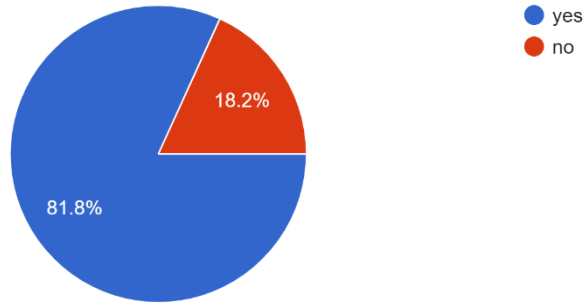
The detailed survey for research was conducted through various restaurants and cafes in suburbs of Mumbai, Mumbai and Pune city. The survey responses were initiated from 21<sup>st</sup> Jan 2021 till 3<sup>rd</sup> Feb 2021 which covers 23 restaurants and cafes in total.

For secondary data, various journals, articles, research papers and blogs were referred.

The main objective of this research is to figure out the potential impacts initiated by influencer marketing in the restaurants. The research aims to answer following research questions.

**6. Data analysis-**

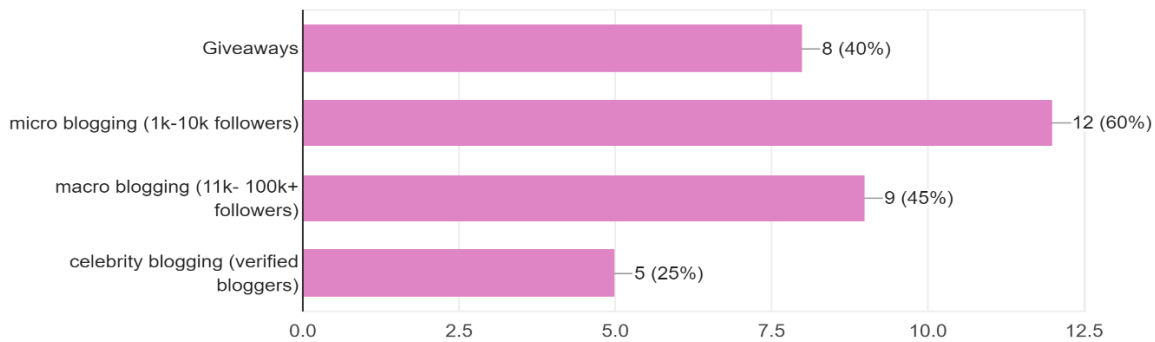
**Use influencer marketing**



One of the crucial facets of a scientific project is data collection, as it helps the researcher to collect valuable knowledge that may contribute to the study and analyse it for a deeper understanding. Data analysis often describes the relationships and discrepancies between variables by the method of estimating effects, comparing variables, defining and summarizing data collection.

As per the survey conducted, we can clearly see through the given pie-chart diagram below that 81.8% of café or restaurant owners say that they use influencer marketing as one their marketing strategies for boosting the sales of their café or restaurant. Whereas the remaining 18.2% of owners don’t prefer using influencer marketing.

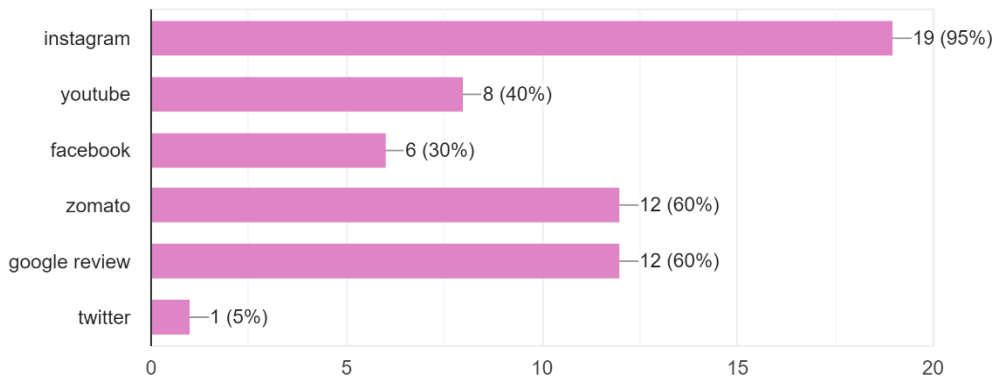
**Methods**



For preferring the type of influencer marketing, owners of the cafes and restaurants preferred micro-blogging more as compared to other method such as Giveaways, macro-blogging and celebrity blogging from verified bloggers. About 60% of the owners preferred micro-blogging, 45% for macro-blogging, 40% for Giveaways and 25% for celebrity blogging respectively.

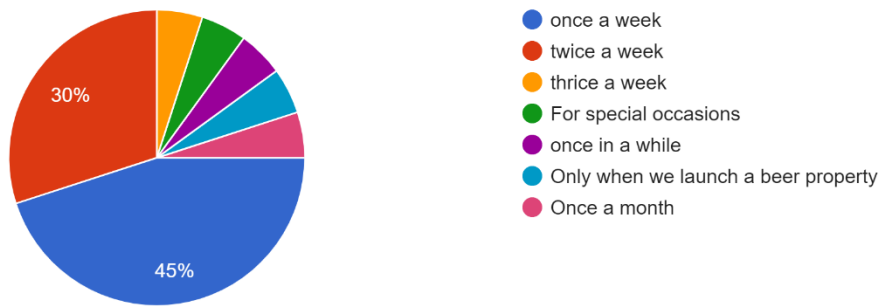


**Preferred platform**



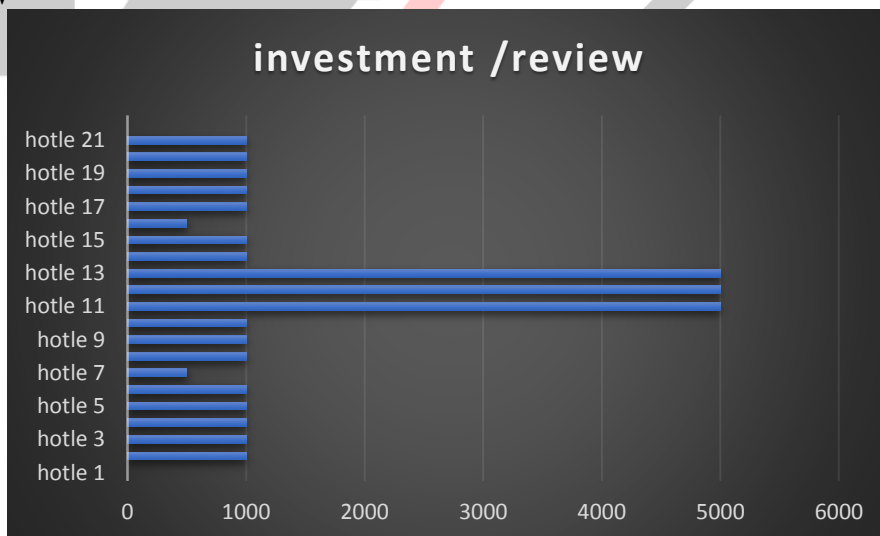
Among all platforms in the social media, about 90% of the restaurant owners preferred Instagram influencers to promote their brands which is most among YouTube (40%), Facebook (30%), Zomato (60%) and google review (60%). Twitter influencers are the least preferable among the restaurant owners in the percentage of 5%.

**Invite Influencers to Visit**



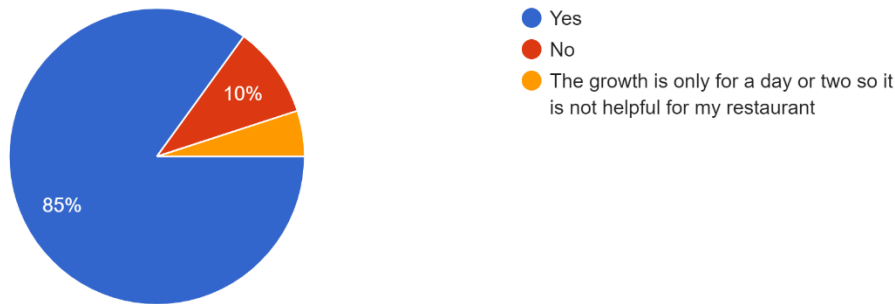
Coming to the section where we tell you about our research focused on how many times an influencer marketer is invited to the Mumbai and Pune cafes or restaurants. The data seen below shows that 45 per cent of cafes or restaurants choose to call influencer advertisers once a week, adding up to 30 per cent to invite them twice a week, and others to invite them to special occasions for example, fresh menu launches or cocktails.

**Investment per review**



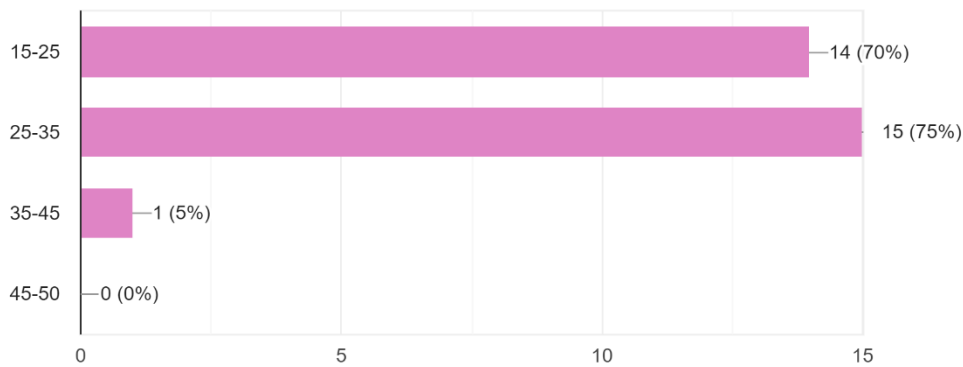
This bar graph shows the investment done by each restaurants / cafe. As in the survey there were 20 restaurants/ cafes that were consider. When the businesses were asked about the investment that they do for influencer marketing it is seen that maximum investing per review is 5000 considering the micro blogging, macro blogging, giveaways, or any other technique. There are paid and non- paid blogging that is the paid bloggers are paid according to the number of followers and the reach which are generally verified bloggers or macro bloggers. The non-paid blogging is the barter collaboration where the investment is almost 1000. From this research it is seen that most of the restaurants / cafes select barter collaboration. As the investment is low in it. It's around 500-1000. As depending on the followers, the products served differ.

**Impact on sales**

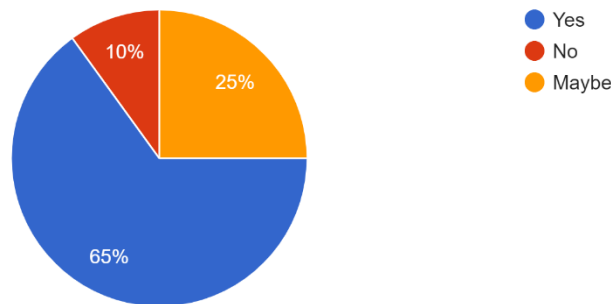


The research also shows the impact of influencer marketing on cafes/ restaurants. As we can see from the responses collected 85 % businesses say that they had seen growth of 10-15 % in their sales. 10 % of businesses have indicated that they have not seen any growth. And only 5% businesses have indicated that they see growth in the sales for limited period of time. But still, it is helpful for the restaurants / cafes to boost their sales.

**Affected age group**



These days, we all see the range for food bloggers and they act as influencer advertisers for different cafes and restaurants now let's look at the age group that is most affected by food bloggers as we can see that 25-35 is the most influenced age group with 75 percent and the second highest, we have 15-25 age group with 70 percent for a shift.



These cafes or restaurants will use influencer marketing again or not well for the last but not least data review here, the data shows that 65 percent will like to use it for marketing campaigns in the future, 10 percent would not include it, and the remaining 25 percent said they could give it a shot in the future.

**6. Future scope**

For the past few years, influencer marketing has garnered a lot of attention. The number of Google searches for "influencer marketing" has actually increased by 1500 percent in the last three years. This demonstrates that the future of influencer marketing is full of possibilities. A study conducted by the Influencer Marketing Hub showed that 63% of marketers are expecting to increase their influencer marketing budget this year. Influencer marketing is expected to become a \$ 10 billion business by 2020, according to another report.

Brands have start to realize that awareness performs better than mass appeal in the current digital era. People are witnessing micro-influencers becoming highlighted. Brands might tie their campaigns with honesty, using micro influencers, since it does not come off as sales. This is being quickly adopted as a strategy, with brands rapidly scaling marketing speed across businesses and categories. All in the group is the potential of influencer marketing. Consumers can begin to group influencers based on whom they

are associated with it instead of people. Influencer marketing, after all, is about associating with the best individuals. If more brands understand the value of collaborating with influencers, they are searching for innovative ways to collaborate with them. At the same time, they understand that it is important for better campaigns to build long-term relationships with customers. That's why influencer marketing's potential remains in in-house influencer initiatives. In-house influencer marketing, instead of content sharing, relies on building relationships with people. This structure also encourages consumers to collaborate with influencers more closely. In the context of enhanced awareness, engagement, popularity, and profit, influencers may bring numerous benefits to brands. In addition, they turn out to be more cost-effective than sponsored content, industry events, and exhibitions. If the influencer industry becomes more regulated and organized, by formulating always-on strategies, more brands are making it the keystone of their marketing. All in all, for those who are ready to respond rapidly to the evolving industry standards and trends, the influencer marketing industry is overflowing with opportunities. (Barker, 2021)

## **7. Challenges**

Influencer marketing has proved to be more successful than conventional methods of ads in the last five or so years. Its efficiency is primarily attributed to it being modern, interesting, distinctive, and, to a certain degree, personal. (FIELD, n.d.)

### **Influencer Fraud**

Fake influencers are users of social media who, by using stock images and fake followers, give the impression they are real influencers. Even though behind the account there is normally a real person, everything else about the account is false. If the influencer marketing business expands, the suppliers who get the lion's share of brand dollars will be the ones who will supply them with such promises that actual influencers can support their campaigns and expose them to real customers. (MEDIKIX, n.d.)

### **Measuring ROI**

Unlike other digital marketing platforms, such as display ads and paid search, which do a relatively decent job at assessing campaign success, influencer marketing faces strong headwinds for marketers and marketers to show a return on investment (ROI). According to Influencer Marketing Hub surveys, almost 90% of all influencer promotions use Instagram as part of the marketing mix. (sweeney, 2020)

### **Campaign Automation**

72% of advertisers agree that ads for influencers should be streamlined. 67% of marketers said that when working with influencers, choosing the right influencers is a challenge. Many time-consuming and repetitive procedures are involved in setting up a marketing plan for influencers that can be automated. (sweeney, 2020)

## **8. Conclusion**

There are many strong arguments for why a company should use influencer marketing as a marketing tool, described in both the theoretical and empirical material. While in Influencer Marketing, the company uses a person who is kind of a consumer him or herself, but more like a pro consumer to transfer the message to his or her followers. On social media the marketing message is not only one directed, but the followers can also respond to the message and ask questions. Also, in traditional marketing, the company is able to have full control of the message that is sent out, of the content, and how the marketing message is communicated, while you need to let go of that 100 % control when doing influencer marketing, and let the influencer be the one who does the final message (Biaudet, 2017) Influencer marketing is going to be the next trend from the research conducted above we can clearly see that metropolitan cities like Mumbai Pune are opting for influencer marketing when it comes to launching their café or restaurants.

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