

Final Project 1

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The Impact of Social Media on Customer Satisfaction in Eastern Saudi Arabia's Horeca Sector

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1. Chapter 1: Introduction

1.1. Research Background

The growth of digital technology has changed the way businesses communicate with and understand their customers. One of the most important developments in this area is social media, which gives businesses the opportunity to share information, advertise their services, and communicate with customers more directly. In the hospitality industry, social media has also become an important part of how customers form opinions about businesses and their services. As competition between hospitality businesses continues to increase, many companies are using social media not only for promotion but also to improve customer satisfaction and maintain good relationships with their customers.

Eastern Saudi Arabia, particularly cities such as Dammam, Al Khobar, and Dhahran, has seen growth in hospitality and tourism activities in recent years. At the same time, social media has become part of customers' daily lives and has changed how they look for information and make decisions about hospitality businesses. Customers can now check different businesses online, read other customers' experiences, and share their own opinions through social media. Hotels, restaurants, cafés, and catering businesses are therefore using these platforms to communicate with customers and introduce their services. This has made social media an important part of the way customers experience and evaluate hospitality businesses.

Kaplan and Haenlein (2010) stated that social media gives businesses different opportunities to communicate and interact with customers through digital platforms. Mangold and Faulds (2009) also explained that social media has become an important part of marketing communication because it can influence customers'

attitudes and behaviors. Earlier studies have found that customer engagement, online reviews, and the way businesses respond to customers through social media can influence customer satisfaction and loyalty (Kim & Ko, 2012; Hudson et al., 2015). When businesses communicate with customers in a positive and timely way, this may also improve how customers view the quality of the service and their overall experience.

Even though social media is now widely used by businesses in the hospitality industry, there is still limited research on how it affects customer satisfaction in the Horeca sector in Eastern Saudi Arabia. Customers in this region may have different expectations and preferences, and their use of social media may also affect the way they judge hospitality services. Cultural factors and differences in customer behavior may therefore play a role in this relationship. For this reason, it is important to study the topic further and understand how social media influences customer satisfaction in this particular market.

Studying this relationship can be useful for hospitality businesses that want to improve the experiences they provide to their customers. It can also help businesses understand how customers respond to their social media activities and interactions. In addition, the results may help managers and marketing professionals make better use of social media when communicating with customers and developing activities that can improve customer satisfaction.

Therefore, this study aims to examine the influence of social media on customer satisfaction in the Horeca sector in Eastern Saudi Arabia. The study is expected to provide useful insights into how social media can be used to improve customer engagement and support better service performance in the hospitality industry.

1.2. Research Problem

The increasing use of social media has changed how hospitality businesses communicate with their customers and introduce their services. However, there is still not enough information about how social media affects customer satisfaction in the Horeca sector in Eastern Saudi Arabia. While some previous studies have looked at the role of social media in customer engagement and service experiences, only a limited number have examined its effect on customer satisfaction in the hospitality industry in this region.

1.2.1. Theoretical Gaps

While social media has received considerable attention in marketing and hospitality research, there remains a lack of comprehensive understanding regarding its role in shaping customer satisfaction within the Horeca sector of Eastern Saudi Arabia. The region's evolving hospitality market and growing use of social media platforms suggest the need for additional theoretical insights into this area.

1.2.2. Practical Gaps

Despite the widespread use of social media among hospitality businesses in Saudi Arabia, there is limited empirical evidence regarding its influence on customer satisfaction within Eastern Saudi Arabia's Horeca sector. Much of the existing research has been carried out in other industries or geographical locations, which may not accurately reflect the experiences and expectations of customers in this region.

Therefore, the research question of this study is how does social media influence customer satisfaction in Eastern Saudi Arabia's Horeca sector?

1.3. Research Significance

This study holds significance at both the theoretical and empirical levels. It expands current knowledge regarding the influence of social media on customer satisfaction in Eastern Saudi Arabia's Horeca sector and provides useful insights that can support hospitality businesses in improving customer engagement, service quality, and digital communication practices.

1.3.1. Theoretical Level

At the theoretical level, previous research has examined social media and customer satisfaction across a range of industries and geographical settings. However, the hospitality sector in Eastern Saudi Arabia has received relatively limited scholarly attention. By investigating the connection between social media and customer satisfaction within the Horeca sector, this study contributes to the existing body of knowledge and offers further insight into customer experiences in a digitally connected hospitality environment.

1.3.2. Practical Level

From a practical perspective, the study offers information that can assist hotels, restaurants, cafés, and catering businesses in evaluating the effectiveness of their social media activities. By understanding how customers perceive and interact with digital content, organizations may be better positioned to enhance their online presence, increase customer satisfaction, and adapt their communication approaches to changing customer expectations.

1.4. Research Questions

- To what extent does customer engagement through social media affect satisfaction with HORECA businesses in Eastern Saudi Arabia?
- How do customers' experiences with social media reviews influence their satisfaction with hotels, restaurants, and cafés in Eastern Saudi Arabia?
- How do the social media marketing practices used by HORECA businesses relate to the satisfaction of their customers in Eastern Saudi Arabia?
- What role does communication between HORECA businesses and their customers on social media play in shaping customer satisfaction?
- Among factors such as the quality of social media content, business responsiveness, customer engagement, and online reviews, which has the strongest effect on customer satisfaction in the HORECA sector of Eastern Saudi Arabia?

1.5. Research Objectives

The main purpose of this study is to understand how social media affects customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

The study will focus on the following objectives:

- To find out how customers' engagement with HORECA businesses on social media is related to their satisfaction.
- To examine the effect that online customer reviews have on satisfaction with hotels, restaurants, and cafés in Eastern Saudi Arabia.
- To explore how social media marketing activities are connected to customer satisfaction in the HORECA sector.

- To understand how communication and interaction between HORECA businesses and their customers through social media may influence customer satisfaction.
- To determine which social media factors, such as content quality, responsiveness, customer engagement, and online reviews, have the most noticeable effect on customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

1.6. Research Hypotheses

Based on the conceptual framework of the study, the following research hypotheses are proposed:

H₁: Social media engagement positively influences customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H₂: Online customer reviews positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H₃: Social media marketing activities positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H₄: Business–customer interactions positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

H₅: Content quality and responsiveness positively influence customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

Null hypothesis (H₀): Social media factors do not have a statistically significant influence on customer satisfaction in the HORECA sector in Eastern Saudi Arabia.

1.7. Research Model

The conceptual framework of the study is shown in Figure 1.

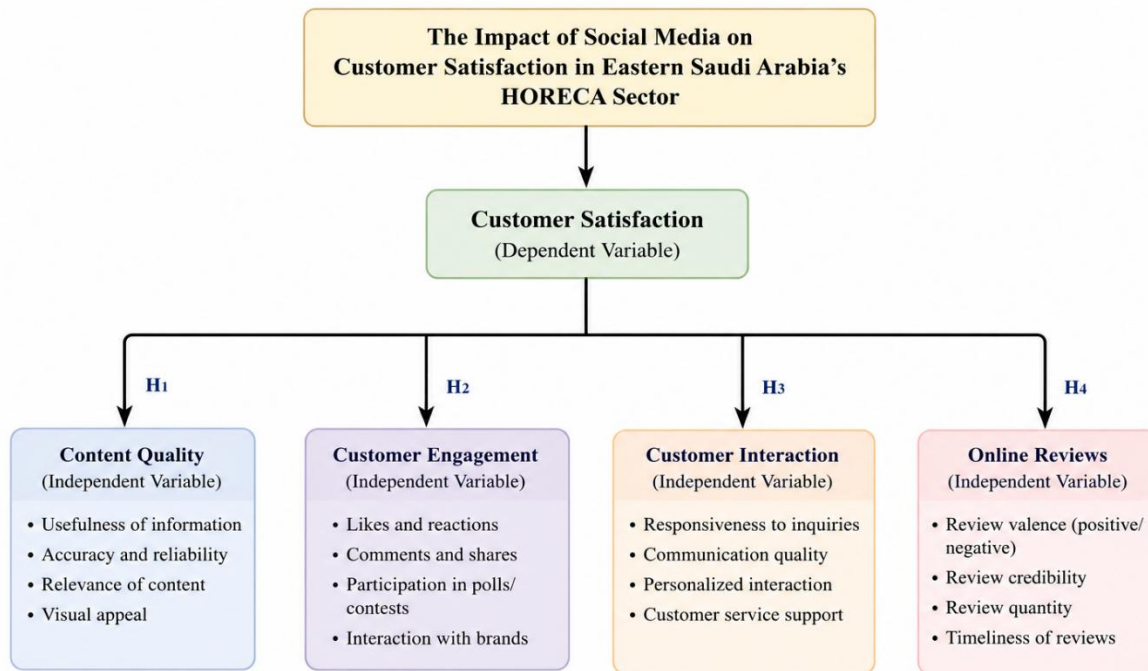


Figure 1. Proposed research framework.

1.8. Research Methodology

This research follows a quantitative approach to study the effect of social media on customer satisfaction in the HORECA (Hotels, Restaurants, and Cafés) sector in Eastern Saudi Arabia. The study uses a cross-sectional design, which means that the information will be collected from participants during one period of time rather than following them over a longer period. This approach is suitable for the study because it allows the researcher to look at the relationship between social media activities and customer satisfaction and then examine these relationships using statistical methods.

The people included in this study will be customers who have visited a hotel, restaurant, or café in the Eastern Province of Saudi Arabia and who use social media regularly. The platforms considered in the study include Instagram, X (formerly Twitter), Snapchat, Facebook, and TikTok. Convenience sampling will be used to select participants, as the study will rely on people who are available and willing to take part. The expected sample size is around 384 participants, which is considered suitable for carrying out the planned statistical analysis.

An online questionnaire will be used to collect the required information. It will be prepared through Google Forms and shared on different social media platforms so that it can reach people who meet the study requirements. The questionnaire will have two main sections. The first section will cover basic demographic information about the participants. The second section will deal with the main areas being studied, including social media engagement, online customer reviews, social media marketing activities, interaction between businesses and customers, content quality and responsiveness, and customer satisfaction. A five-point Likert scale will be used for the responses, starting from 1, “Strongly Disagree,” to 5, “Strongly Agree.” The questionnaire items will be adapted from measurement tools used in previous studies that have already been validated. Before the questionnaire is used for the main survey, a pilot study may be conducted to make sure that the questions are understandable and that the questionnaire works consistently.

After the questionnaires have been completed, the collected data will be analyzed using the Statistical Package for the Social Sciences (SPSS). First, descriptive statistics such as frequencies, percentages, means, and standard deviations will be used to summarize the participants’ information and their answers. Cronbach’s Alpha will be used to check whether the questionnaire items are consistent with each other. Pearson correlation will then be applied to examine the relationships

between the different study variables. Multiple regression analysis will also be used to determine how the independent variables affect customer satisfaction and to test the proposed hypotheses. The statistical tests will be conducted using a significance level of 0.05.

Ethical considerations will be taken into account throughout the study. Participation will be completely voluntary, and participants will be given clear information about the purpose of the research before they decide whether to complete the questionnaire. The survey will not request information that could personally identify participants, which will help keep their identities anonymous. Their answers will also be treated as confidential and will only be used for the academic purposes of this research. The information collected will not be shared or used for unrelated purposes. Following these ethical guidelines will help protect the participants and maintain the credibility and reliability of the study and its findings.

1.9. Scope of Study

This research examines the role of social media in customer satisfaction within the HORECA (Hotels, Restaurants, and Cafés) sector in Eastern Saudi Arabia. The study looks at how these businesses use social media to promote their services, communicate with customers, respond to questions and feedback, and maintain customer relationships. The participants will be customers who have visited hotels, restaurants, or cafés in the Eastern Province and have had some interaction with these businesses through social media.

The study will focus on five main areas:

- The relationship between social media engagement and customer satisfaction.

- The effect of online customer reviews on how customers view the business and how satisfied they are with its services.
- The role of social media marketing in improving customer satisfaction.
- The effect of communication and interaction between HORECA businesses and customers through social media.
- The importance of good-quality content and quick responses in creating a better customer experience and improving satisfaction.

The research will only cover the Eastern Province of Saudi Arabia. It will also be limited to the HORECA sector, specifically hotels, restaurants, and cafés. The results are expected to help businesses in this sector understand their customers better and make more effective use of social media to improve satisfaction and develop stronger customer relationships in the long term.

1.10. Proposed Structure of the Research Project

The research is organized into different chapters, with each chapter focusing on a particular part of the study. This organization helps present the research step by step and makes the main parts of the study easier to understand (Midocean University, 2026).

Chapter One: Introduction

The first chapter provides an introduction to the research topic. It gives some background about social media and the HORECA sector, explains the research problem, and shows why the study is important. It also includes the research questions, objectives, hypotheses, and scope of the study.

1.1 Research Background

This part introduces the use of social media in the hospitality industry and explains how its growing use has changed the way HORECA businesses communicate with their customers and provide information about their services.

1.2 Research Problem

This section describes the problem that the research focuses on. In particular, it looks at the lack of sufficient understanding of how social media may affect customer satisfaction in hotels, restaurants, and cafés in Eastern Saudi Arabia.

1.3 Research Significance

This section explains the importance of conducting the study. It discusses how the research can be useful academically by adding to existing knowledge, as well as practically by giving HORECA businesses ideas about using social media to improve customer satisfaction.

1.4 Research Questions

This section includes the main questions that the research will try to answer. These questions help keep the study focused on the relationship between social media and customer satisfaction.

1.5 Research Objectives

This section explains the main things that the research intends to achieve. The objectives are based on the research topic and are used to guide the study.

1.6 Research Hypotheses

This section presents the hypotheses that were developed from the literature reviewed for the study. The hypotheses will be tested later using statistical analysis.

1.7 Scope of the Study

This section explains what is included and what is covered by the research. It describes the geographical area, the industry, and the main concepts considered in the study, with the research focusing on the HORECA sector in Eastern Saudi Arabia.

Chapter Two: Literature Review

The second chapter discusses previous research related to the topic. It covers areas such as social media marketing, customer satisfaction, customer engagement, online reviews, digital communication, and the HORECA industry. The chapter also looks at gaps in previous studies that provide a reason for conducting the current research.

Chapter Three: Research Methodology

This chapter explains the methods used to carry out the study. It includes information about the research design, the target population, the sampling method, the questionnaire, and how the data will be collected. It also explains the statistical methods that will be used to analyze the collected information.

Chapter Four: Data Analysis and Results

This chapter presents the information obtained from the survey and the results of the data analysis. The responses will be examined using the appropriate statistical techniques, and the results will be used to determine whether the proposed hypotheses are supported.

Chapter Five: Discussion

The fifth chapter focuses on understanding the results of the study. The findings will be compared with previous research and relevant theories. This will help explain whether the results are similar to or different from what has been found in earlier studies. The chapter will also discuss the meaning of the findings for social media use and customer satisfaction in the HORECA sector.

Chapter Six: Conclusion and Recommendations

This chapter brings the main points of the research together. It summarizes the findings and gives the overall conclusion of the study. It also provides recommendations that could be useful to HORECA businesses and identifies some possible topics for future research.

Chapter Seven: References

This chapter includes all the academic sources used throughout the research. These include books, journal articles, and other scholarly materials cited in the study. The references will be presented according to the required referencing style.

Chapter Eight: Appendices

The last chapter contains the additional materials related to the research. These may include the questionnaire, consent form, and any other documents that are relevant to or support the study.

2.Chapter 2: Literature Review

2.1. Introduction

Social media has become a common way for HORECA (Hotels, Restaurants, and Cafés) businesses to communicate with their customers and advertise their services. Platforms such as Instagram, Facebook, TikTok, and X allow businesses to share updates and communicate with customers, while customers can also share their experiences and opinions. Reviews and comments on these platforms can affect how other customers view a business and how satisfied they feel with its services. Because of this, social media has an important role in the way HORECA businesses market themselves and communicate with their customers (Kaplan & Haenlein, 2010).

This literature review focuses on earlier research that has looked at social media and customer satisfaction in the HORECA sector. It discusses the main concepts and theories related to the topic and reviews the results of previous studies. It also highlights areas that have not been studied enough, especially in Eastern Saudi Arabia, which helps explain the need for the current research.

2.2. The Independent Variable

Social media is made up of online platforms that people and businesses use to communicate and share information. In the HORECA (Hotels, Restaurants, and Cafés) sector, businesses use social media to promote their services and keep in touch with customers. Platforms such as Instagram, Facebook, TikTok, Snapchat, and X give businesses a simple way to post about their services and communicate with customers. At the same time, customers can ask questions, leave reviews, and share their experiences through comments, photos, and videos (Kaplan & Haenlein, 2010).

Social media can also influence the way customers see a business and their overall experience. For example, replying to customers, sharing useful content, and paying attention to online reviews can help businesses build trust. In the hospitality industry, customers may look at social media before deciding where to go, and the information they find can affect what they expect from the service. Their experience after visiting may also affect how satisfied they are (Mangold & Faulds, 2009; Bilgin, 2018).

In this study, social media is the independent variable and customer satisfaction is the dependent variable. The study looks at whether the way HORECA businesses use social media has an effect on the satisfaction of their customers in Eastern Saudi Arabia.

2.3. The Dependent Variable

Customer satisfaction describes how satisfied customers are with a product or service compared with what they expected. It is important for businesses because customers who are satisfied may return, recommend the business to other people,

and continue using its services. In the HORECA (Hotels, Restaurants, and Cafés) sector, customer satisfaction can be affected by several factors, including service and food quality, staff behavior, prices, the atmosphere, and the overall customer experience (Kotler & Keller, 2016).

Social media has also changed how customers communicate with businesses. Many customers use social media to find information, read reviews, contact businesses, and share their experiences. When businesses answer customers' questions, provide useful information, and respond to complaints properly, this can give customers a better impression of the business. These online interactions can also be connected to the service experience and may affect customers' overall satisfaction (Kim & Ko, 2012).

In this study, customer satisfaction is the dependent variable because it may be influenced by the social media activities of HORECA businesses. The study focuses on customer engagement, communication, and online interaction to examine whether these activities affect customer satisfaction in Eastern Saudi Arabia. The purpose is to understand how social media may help HORECA businesses improve the customer experience and their service.

2.4. The Relationship Between The Independent and The Dependent Variables

Social media has become one of the ways that customers and businesses communicate with each other. This is important for HORECA businesses such as hotels, restaurants, and cafés. Through social media, businesses can show their services, answer customer questions, and receive comments and feedback. The feedback can help the business know what customers think and what they may need

to improve. In this way, social media can have an effect on customer satisfaction (Kaplan & Haenlein, 2010).

Social media is also useful for customers when they are looking for a place to visit. A customer may check the reviews of a restaurant, look at pictures, or read comments before making a decision. The information shared by other customers can give an idea about the service and what to expect. The business itself can also affect this impression by the way it replies to customers. A quick and helpful response may make the customer feel more comfortable. After visiting, customers can share their own experience as well, so the communication between the customer and the business does not necessarily end with the visit (Mangold & Faulds, 2009).

The connection between social media and customer satisfaction has also been discussed in previous studies. These studies suggest that businesses can benefit from being active on social media and communicating with their customers. Sharing useful information and responding to customers can help create a better relationship with them. It can also increase customers' trust in the business and give them a better impression of the brand (Bilgin, 2018; Kim & Ko, 2012).

This issue is relevant to HORECA businesses in Eastern Saudi Arabia as well. Customers can use social media to find businesses, check their services, and communicate with them. Their experience online may affect how they feel about the business overall. For this reason, social media may be one of the factors related to customer satisfaction. This study therefore examines whether social media has a significant positive relationship with customer satisfaction.

2.5. Conclusion

This chapter reviewed the literature related to the study variables, with a focus on social media and customer satisfaction. It discussed the main concepts, examined previous studies, and explained how social media can influence customers' experiences and satisfaction in the HORECA sector. The review also provided theoretical and empirical support for the proposed relationship between the two variables.

Overall, the literature establishes a strong foundation for this study and supports the research framework and hypothesis. The following chapter presents the research methodology used to investigate the relationship between social media and customer satisfaction in the HORECA sector of Eastern Saudi Arabia.

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