



# Who uses Adwords in overnight accommodation establishments?

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## Abstract

Google AdWords has become a prevalent e-marketing tool in the growing online marketing platform. Google AdWords is an accessible tool of e-marketing, it is also easy to use, measurable, and enables marketing within a predetermined budget. However, limited empirical evidence exists regarding the use of Google AdWords as an e-marketing tool. A research study was conducted in 2016 with the aim to ascertain the extent to which Google AdWords is used among the Western Cape's star-graded overnight accommodation establishments. A self-administered web-based survey was conducted to collect data and a total of 278 fully completed and usable responses were received. The study revealed that the majority (67%) of respondents were aware of Google AdWords and that 41% of respondents that are aware of Google AdWords also make use of Google AdWords. It was found that the use of Google AdWords is dependent on the type and the star-grading of overnight accommodation establishment. It can be concluded that Google AdWords is a worthwhile e-marketing tool for star-graded accommodation.

**Keywords:** E-marketing; Google AdWords; e-marketing tool; pay-per-click; search engine optimisation.

## Background

Accommodation is a vitally important section of South Africa's tourism, and contributes significantly to the country's economy. More than ten million international tourists visited South Africa in 2016, 13% more than 2015 (Stats SA, 2017) with an estimated contribution of R402bn to the country's gross domestic product (GDP) (Smith, 2017). -This upholds the notion that tourism is a key contributor to the South African economy (South African Government, 2016:1). The tourism sector also offers other benefits to the country, including earning foreign exchange, creating jobs, and being one of the fastest growing sectors in the country (Stats SA, 2016). In turn, tourism has opened many opportunities for entrepreneurs to start their business; this contribution stimulates the country's economy. In order to be successful, a business must be visible; especially when it comes to tourism where competition is widespread (SME Toolkit, 2013).

In order to become noticeable, tourism service providers need to execute online and offline promotional strategies. Online and offline strategies refer to the state of connectivity to computer technology and telecommunications. In offline marketing businesses are using media such as radio, brochures, banners, pamphlets, posters, television etc.; whereas in online marketing also referred to as e-Marketing media such as websites, social media, blogs, emails, video blogging, online classifieds, and search engines are used.



Search engine marketing is the promotion of websites by increasing the website's visibility in the search engine result pages (SERPs) and AdWords can be used for this purpose.

The common keyword phrases "*Why use AdWords and Does AdWords work*" searched on Google is, according to Gabbert (2017), an indication that businesses are aware of AdWords but are not sure if and how it can work for the business. This gives rise to the question: Are small business establishments (SMME) in the competitive tourism industry aware of AdWords and are they using AdWords to increase visibility in the industry?

The article focus is on the utilisation of the e-marketing tool search engine marketing (SEM), but more specifically Google AdWords' pay-per-lick (PPC) program that service providers in the tourism overnight sector can use to attract business and to set them apart of other service providers in the industry. In setting the background to the question small business overnight accommodation, e- and search engine marketing as well as google AdWords will be briefly discussed in the sections that follows.

### **Small business overnight accommodation establishments**

The South African tourism industry largely consists of SMMEs that operate small-scale establishments such as Bed and Breakfasts (B&Bs), guesthouses and backpacking hostels (Joseph, 2013:11).

A business is classified as a SMME according to its full-time and paid employees, total turnover and value of total gross asset (fixed property excluded). A small or medium business in the accommodation and catering sector should have an annual turnover of R42.5 million for a small enterprise and R57.0 million for a medium enterprise. In addition to what constitutes as an SMME is the number of paid employees and the gross asset value of the enterprise (with fixed property excluded). The number of paid full-time employees for a small enterprise is 50 employees and a gross asset value is R1 million. A very small enterprise must have a total number of 20 full-time paid employees and an estimated annual turnover of R2 million and gross asset value of less than R600 000 (with fixed property excluded). A business with a total number of 5 full-time paid employees and an annual turnover of R200000 constitute as micro-enterprises (BER Research Note, 2016; Joseph, 2013:10).

Despite the fact that SMMEs operate small-scale overnight accommodation establishments, all tourist accommodation establishments, that is "...any facility that regularly (or occasionally) provides 'paid' or 'unpaid' overnight accommodation in South Africa, comprise star-graded overnight accommodation establishments. The establishments consist of formal service accommodation, guest accommodation, shared vacation, backpackers and hostel accommodation, and caravan and camping accommodation, see table 1 below. The different establishments are graded according to an establishment specific grading criteria by the Tourism Grading Council of South Africa (TGCSA). The star-grade insignia of the TGCSA is an indication that an overnight accommodation establishment has been graded and has met a certain standard of quality and service excellence. Below follows a brief explanation of the meaning of TGCSA Star grading. The meanings are based on the explanations given by SA-Venues.com.

- One Star: Fair to good (acceptable/modest) quality in overall standard of furnishings, service and guest care. Clean, comfortable and functional accommodation.
- Two Stars: Good quality in overall standard of furnishings, service and guest care.
- Three Stars: Very good quality in overall standard of furnishings, service and guest care.
- Four Stars: Superior (excellent) comfort and quality. High standard of furnishings, service and guest care.



- Five Stars: Exceptional quality, luxury accommodation (matching the best international standards). Highest standard of furnishings, flawless service and meticulous guest care (SA-Venues, n.d.)

<i>Formal service accommodation</i>	This type of accommodation includes hotels and lodges. A hotel provides formal accommodation with full or limited services. The establishment has a minimum of four rooms, reception area and dining facilities. The difference between a lodge and a hotel is that a lodge is located in natural surroundings beyond that of an immediate garden area.
<b>Guest accommodation: Bed and Breakfast (B&amp;B)</b>	More informal accommodation with limited service that is provided in a family (private) home with the owner/manager living in the house or on the property.
<b>Guest accommodation: Guesthouse</b>	It can be an existing home, a renovated home or a building that has been specifically designed as a residential dwelling to provide overnight accommodation. It must have more than three rooms and public areas for the exclusive use of its guests. The difference between a guest and country house is that a country house is situated in natural and peaceful surroundings.
<b>Shared vacation</b>	This <b>accommodation type</b> refers to Lifestyle apartments – multi, self-contained accommodation with limited communal facilities and amenities as these are within close proximity and must have a formal reception area and Lifestyle resorts – multi, self-contained accommodation with onsite facilities and amenities.
<b>Backpackers and hostel accommodation</b>	This type of establishment caters for transient guests (travelling public). A backpacker and or hostel is an accommodation facility that provides communal facilities, including dormitories, yet may offer a range of alternative sleeping arrangements.
<b>Caravan and camping accommodation</b>	<b>This accommodation type is a facility that provides space</b> together with ablution and toilet facilities <b>for guests who provide their own</b> accommodation, such as a tent, a motor home and/or a caravan

Source: TGCSA, n.d.

Table 1: Different Accommodation Establishments

In summary, the different types of overnight accommodation establishments are graded according to a set of grading criteria that the TGCSA developed for the specific type of accommodation establishment. The star-grade insignia of the TGCSA is considered to be an adequate confirmation of the establishment's quality and service excellence that needs to be communicated to the market. One of the many communication channels available to the star-graded overnight accommodation establishments is Search Engine Marketing (SEM).

## Search Engine Marketing (SEM)

The process of SEM begins when a query is typed into the search box of a search engine (Bergström and Östberg, 2016:6). The query provides the search engines with an indication of what is required. The outcomes of the search are ranked via a results page (SERP) in order of most relevant to least relevant according to the keywords searched (Chaffey and Smith, 2017; Juščius, Labanauskaitė and Baranskaitė, 2016:45). As a marketer the sole purpose of SEM should be to get potential customers to click through to their website, and for this to happen the website must appear on the first page of the search engine results (Lee and Seda, 2009:xxii). To appear on the first page of search results is critical as studies have shown that searchers do not usually click through to the remaining results pages (Luh, Yang and Huang, 2016:239; Lindsay, n.d.:41). This means that if the advertiser's website appears on any results page after the first results page, it will result in a lack of exposure to potential shoppers.



When it comes to the successes of SEM, it has been revealed that SEM has the highest return on investment (ROI), together with the lowest cost per acquisition (CPA) when compared to the other methods of advertising. A positive aspect of SEM is that searching on a search engine causes the highest volumes of traffic on the web, thus SEM is a prominent element within the e-marketing tool repertoire. The SEM e-marketing tool can further be split into two main categories, i.e. search engine optimisation (SEO) and pay-per-click (PPC) (Bergström and Östberg, 2016:7; Jušcius *et al.*, 2016:46; Ramos and Cota, 2006:24). SEO is an organic form of SEM, and aims to optimise a business website in order to be listed and ranked on a search engine's results page at no cost. PPC is a form of paid-for advertising, where marketers bid on certain keywords in order to appear on the first results page of search engines when the topic searched for is related to the business. In the section that follows these two types of SEM are briefly discussed.

### ***Search Engine Optimisation (SEO)***

SEO allows websites to be ranked on a search engine's first results page via organic marketing and manipulation of the website structure. Essentially, it is getting customers to naturally come to a website rather than artificially through paid or boosted posts (OndemandCMO, 2017). Websites are manipulated in such a way that rankings on search engine result pages improve in a natural way via keywords and bettering the content to get the attention of search engine spiders (McStay, 2016). Search engine spiders are programs that 'crawl' the web and rank the websites according to certain criteria stipulated in an algorithm created by search engines, such as Google. The criteria in the algorithm, by which search engine spiders file websites, is regularly updated and that increases the difficulty of manipulating the ranking on the results page (Fleishner, 2011:17). Despite SEO being free of charge, it is a lengthy form of SEM, and it may take years for a website to be ranked at the top. On the other hand, SEO's paid-for counterpart, pay-per-click (PPC), allows a website to instantaneously appear top of the page when searched. (Bergström and Östberg, 2016:7; Lee and Seda, 2009:xxii). PPC is discussed in the following section.

### ***Pay-Per-Click (PPC)***

PPC is a text advertisement with a link to a website that appears first when a certain keyword is searched (Chaffey and Smith, 2017). PPC refers to 'the first monetisation of search' and was created by GoTo, a company that later rebranded to Overture and eventually to Yahoo!, a popular search engine. PPC is widely used in terms of search engine marketing (Bergström and Östberg, 2016:7; Zhang and Guan, 2008:78). The aim of PPC is to attract the attention of a user and get them to click on a link, to finally increase traffic to the website (Stokes, 2013:264; Fleishner, 2010:18).

The success of a PPC campaign is dependent on the exposure that is offered by the search engines where the marketing takes place. In other words, PPC will only work successfully when the search engine is popular and used often. Currently there are five top search engines in the market, including Google, Yahoo, Bing, AOL and Ask. Google has the largest segment (81%) of market share; followed by Bing and Yahoo with 8% each, and finally AOL and Ask who each have 1% of the market share (Ecloudbuzz, 2017:1). Therefore, Google has the largest number of people habitually searching on it. Due to the market reach of Google, the article will focus on Google's PPC program which is known as Google AdWords.



## Google Adwords

Google AdWords is seen as the crown jewel of e-marketing; in that it focuses on users that are actively searching for a specific product or service on Google, the most popular search engine in the world (Kangas *et al.*, 2007). Google AdWords also provides a marketing tool that is accessible, easy to use, and measurable in a way that is unlike any traditional marketing tools. It also allows for marketing within a preset budget (Lee and Seda, 2009).

The process of using Google AdWords consists of a number of actions, which start with opening or signing up for a Google account and clicking new campaign. Although Google guides the advertiser through the online process, the advertiser has to perform certain actions associated with the AdWord campaign. Based on Hopner (2016) the actions that follow the opening/signing in are presented in Table 2 below.

<b>Create a Google Adwords advertisement</b>	Writing the advertisement includes a title, two lines of text, and the URL that directs the user to the website. A vital aspect of the advertisement is the call-to-action (Fleishner, 2010); which is the phrase that prompts the consumer to take action. This action may include clicking on a link, filling in an online form, making a call or even making a purchase.
<b>Develop a targeting strategy and a list of keywords</b>	<p>Keywords are words or phrases that users type into the Google search box when searching for information regarding a topic. When advertising on Google AdWords, keywords should be chosen based on relevancy regarding the product or service that is being offered (Colborn, 2006).</p> <p>Google's keyword tool assists with choosing keywords by considering common spelling mistakes that are made when spelling the keywords in the search box. It enables the advertiser to identify synonyms; similar words and phrases that are searched for and can be targeted (Arnold, n.d.). The keywords with the highest click through rates are considered to be the most successful keywords.</p> <p>Other targeting methods that can be used to ensure that relevant traffic is directed to the website is geo-location (Kennedy and Hauksson, 2012). Google allows the marketer to choose the geographical areas in which the advertisement should be displayed. Some of the options include the targeting of a few countries, one country, one state, a region or even a city.</p>
<b>Place a bid for the keywords</b>	Setting a budget and placing a bid for certain keywords means offering to pay Google a certain amount every time that a user clicks on the advertisement that has been displayed (Fleishner, 2010). Other businesses will also make bids on the same keywords, which means that the higher the bid, the higher the advertisement will appear on the list. Therefore, in order to appear on the number one spot, the bid should be increased. The amount that has been bid will be deducted each time a user clicks on the URL link on your advertisement.
<b>Displaying of Advertisement</b>	<p>Displaying the advertisement on the Google results page is an essential part of the Google AdWords process. Google provides both paid placement links (paid-for advertising) and unpaid links (organic results).</p> <p>Highly rated advertisements (keywords and advertisements that have a high click-through rate) with the right keyword bids are placed in these results boxes. This type of display is considered as a special placement and often receives many more clicks than the advertisements displayed in the Google AdWords listings</p> <p>When advertising on Google AdWords, advertisements will appear on various other search engines that are associated with Google, including: Google, AOL, Ask.com, About.com, Lycos, InfoSpace, Netscape, CompuServe, Earthlink, AT&amp;T and</p>



Shopping.com. The advertisement will also appear on the several million content sites that form part of the AdSense network. When advertising with Google

AdWords, the advertisement will also be displayed on other Google services, which include: Gmail, Google Groups and Google Plus.

**Landing on the website**

While the landing page is not a part of Google AdWords, it is the point of search engine marketing where a sales lead must be closed in order to be converted into a sale. A landing page is the page that a user will land on once the user has clicked on the Google AdWords link resulting from the keyword search criteria entered into the Google search box. The landing page is also the element that will play the greatest role in converting the website visitors into buyers.

A landing page should always be highly optimised to address the need or problem that the user entered in the search box. The landing page must be in line with the advertisement text and the keywords that have been targeted in the specific campaign.

**Google will deduct money from the**

The Google AdWords account is linked to a credit card from which the payments are deducted and the account will be settled on a monthly basis.

Once payments occur, it is important to determine the performance of keywords by calculating the ROI of the advertisements. The main purpose of marketing is to obtain a positive Return On Investment (ROI), meaning a profit is expected from the money that was invested in the campaign.

When calculating the ROI, it is important to consider the time cycle for customers when buying the product or service, as this will have an effect on when the ROI should be assessed. This will ensure that the assessment is not done prematurely, resulting in misleading results.

**Optimise the campaign using Google reporting tools**

The reporting tools that accompany Google AdWords include Web analytics, which is an advanced form of tracking lead conversions in order to analyse the results of PPC campaigns. The type of statistics that are provided include: the "number of clicks, the percentage of views vs. clicks, the cost per click, the advertisement's average position, whether the visitors that were directed to the website were converted to buyers and other useful information that will enable you to determine how well your advertisement is performing" (Arnold, n.d.). These reports should be used in conjunction with the calculated ROI of advertisements and A/B split testing to discontinue the poor performing advertisements and optimise the performing advertisements.

**Post-purchase follow-up**

Post-purchase behaviour by consumers is vital for positive word-of-mouth. While this may not be a direct element of the Google AdWords process, it should still be included as Google AdWords enables the business to perform easy and cost-effective Customer Relationship Management (CRM) (Fleishner, 2010). CRM can consist of a thank you e-mail with follow-up details that can be used to confirm the purchase. To make use of Google AdWords' ability to assist with CRM, the user's details should be added to a database from which further follow-up communication can occur.

Table 2: Actions for setting up a Google AdWords campaign.

**Benefits of Google AdWords**

An internet search revealed that the use of Google AdWords holds various benefits and reasons why a business establishment should make use of Google AdWords. The primary benefits can be summarised as follows (Canlas, 2014; Gabbert, 2017; Khadar, 2016; Leadsquared, n.d.; Vrontas, 2017; Wyher, 2017):

- AdWords increases leads and customers: AdWords has the potential to send highly targeted leads to the advertiser's website. Google AdWords includes advertiser's products



and services and allows the advertiser to focus on people searching for what the advertiser has to offer. This is also an efficient way to tell people about the business brand, thus increases brand awareness.

- **Highly targeted:** Google AdWords has sophisticated targeting capabilities that allows advertisers to direct and fine-tune campaigns, including:
  - location – AdWords allows for targeting specific geographic locations;
  - mobile – enhanced campaigns allows advertisers to target mobile device users;
  - language targeting – over 40 language are available for campaign targeting;
  - time targeting – advertisers can select specific hours during the day for optimal targeting; and
  - auto-targeting – tagging destination URLs automatically.
- **Flexible marketing platform:** AdWords as marketing platform is suitable for all kinds of businesses and it is compatible with other marketing platforms and software systems. It furthermore allows business to set the budget according to the amount that they are willing to spend this type of advertising.
- **Measurable performance:** Unlike other advertising, the advertiser only pays for the advertisements that were clicked on. With Adwords the advertiser can tell what is happening with the campaign, who clicked on the ad, how many leads have been generated, which keywords generate leads, and cost per lead. It is thus possible for advertisers to adjust and optimise the Google AdWords campaign. Optimisation can yield a high return on investments, something which is not possible with other marketing strategies.
- **Access to huge, high-quality traffic sources:** Google is a search engine that handles over 5 billion searches per day, this means it has the capability to send huge amount of traffic a day, if the business has the budget to pay for this traffic.
- **Market information:** Google AdWords produces information about customer habits and requirements, keywords used to find products and services, devices that are being used, times and days that they are searching and other information obtained through AdWords can be valuable. This information can lead to improved products and services (Canlas, 2014; Gabbert, 2017; Khadar, 2016; Leadsquared; n.d.; Vrontas, 2017; Wyher, 2017).
- **Track competitors:** Google AdWords is a transparent system that enables a business to keep an eye on its competitors.

Up to this point, the article provides some theoretical insight into search engine marketing, more specifically Google AdWords. The section that follows is an empirical part of the article, starting with a discussion of the aim and methodology.

## **Aim and Methodology**

Given the question: Are business establishments in the competitive tourism industry aware of AdWords and are they using AdWords to increase visibility in the industry? The aim is to ascertain the use of Google AdWords among graded accommodation in the Western Cape.



The Western Cape was chosen as a focus area, as this province is known as the tourism hub of South Africa, attracting the majority of overseas visitors to the country (Wesgro, 2016:3; South Africa Info, 2012). Overnight accommodation establishments were selected, as this sector contributes significantly to the tourism industry, which in turn is vital for the South African economy. Star-graded establishments were chosen specifically to ensure a servicing standard among the respondents, thus ensuring that the data received is more reliable and general. The unit of analysis is an individual establishment that is star-graded and in the Western Cape.

A web-based self-administered questionnaire consisting of 5-Point Likert-scale questions (1 = strongly disagree to 5 = strongly agree) was used for data collection. Ethical principles were adhered to throughout the research process. Participants' rights were respected throughout the process of conducting the research, and this research process and methodology was conducted in such a way as to minimise risk to participants. It was important to obtain consent from participants before attempting the questionnaire. Ethical conduct was guided by and based on the principles outlined in the UNISA, College of Economic and Management Science (CEMS) Policy on Research Ethics 2010.

The total population of 1 953 establishments in the Western Cape were approached to take part in the research survey. A total of 278 usable responses to the survey were received, that is a confidence level of 95% and an error margin of 5.44% at a response distribution of 50% (Raosoft, n.d.). The results could not be generalised to reflect the larger population due to the initial low response rate, indicating a non-response error. The demographic profile of the respondent group is presented in Table 3 below. As outlined in Table 3, almost a third of the respondents come from guest houses (34%) and self-catering establishments (30%). Almost two thirds (62%) of the respondents have less than five permanent employees. Almost equal portions of the respondents are 3-star (42%) and 4-star (43%) rated. More than half (59%) of the respondents cater for both leisure and business travellers; and the majority (82%) of the respondents cater for both local and international travellers.

Type of Accommodation	N	%	Star-Grade of Accommodation	n	%
Backpackers	8	3	1-star	2	1
Bed and Breakfast	50	18	2-star	14	5
Caravanning and Camping	2	1	3-star	117	42
Country House	7	3	4-star	120	43
Guest House	95	34	5-star	25	9
Hotel	23	8		<b>278</b>	<b>100</b>
Lodge	9	3			
Self-catering	84	30			
	<b>278</b>	<b>100</b>	<b>Leisure / Business Travellers</b>	n	%
			Mainly leisure	103	37
			Mainly business	11	4
			Both leisure and business	164	59
				<b>278</b>	<b>100</b>
<b>Number of Employees</b>	n	%			
Less than 5	171	62			
5 - 10	67	24			
11 - 50	28	10			
51 - 100	6	2			
More than 100	6	2			
	<b>278</b>	<b>100</b>	<b>Local / International travellers</b>	n	%
			Local	25	9
			International	25	9
			Both local and international	228	82
				<b>278</b>	<b>100</b>

**Table 3:** Respondent profile

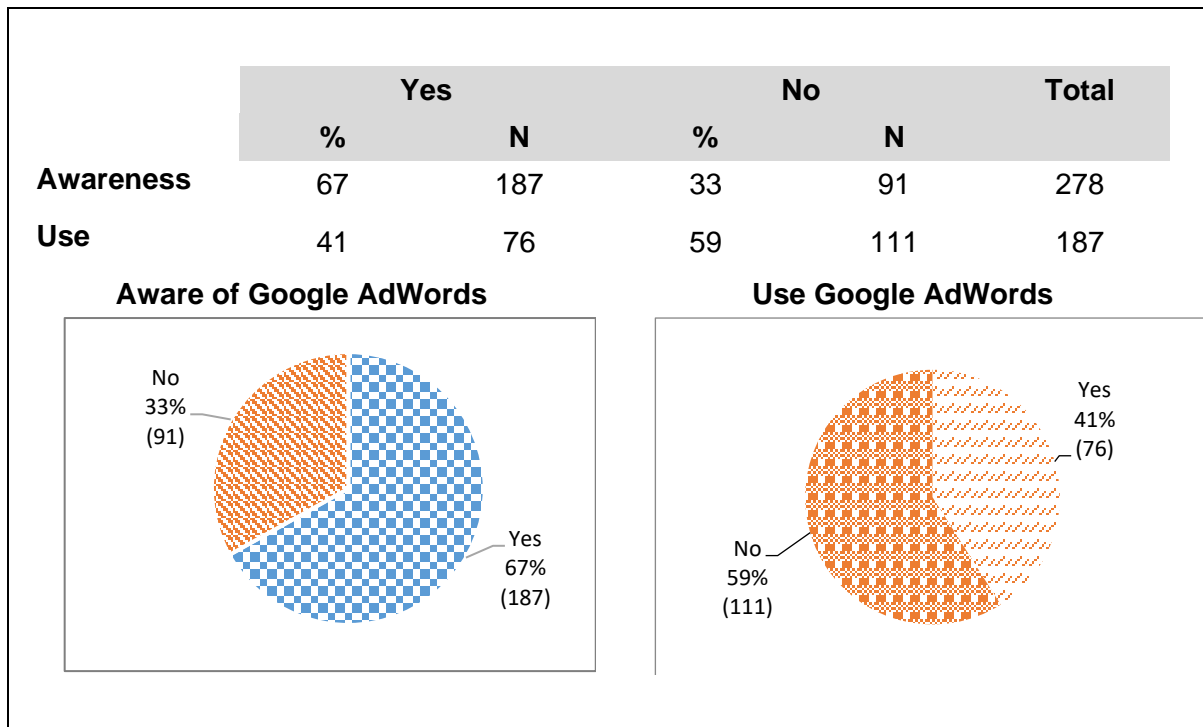


## Research Findings

The main findings on the awareness and use of Google AdWords, attitude towards the use of Google AdWords and perceived usefulness of Google AdWords are presented in the section that follows.

### *Awareness and Use of Google AdWords*

The respondents were asked whether they are aware of and use Google AdWords as an e-marketing tool. The results as displayed in Figure 1 clearly indicate that the majority (67%) of respondents were aware of Google AdWords, while 33% were not aware of Google AdWords.



**Figure 1:** Awareness and use of Google AdWords

It is clear from the figure that a third (33%) of the respondents are not aware of Google AdWords and in an open question the majority (63%) of the respondents claim that they never heard of it. Almost a third (32%) indicated that they don't know it well and don't know how to use it. A few (2%) indicated that they only use traditional marketing methods and 3% did not answer the question.

Figure 1 indicates that 41% of respondents that are aware of Google AdWords also make use of Google AdWords, while 59% of the respondents do not make use of Google AdWords.

Those respondents that were not aware of AdWords or using it, were asked to indicate possible reasons for lack of awareness and reasons for not making use of AdWords. The question was poorly answered and a total of 91 usable responses were received. The responses are summarised in table 4 on page 10..



Reasons for lack of awareness and not using AdWords	%	n=91
I've never heard of it	63	57
I don't know how to use it	25	23
I don't know it well	7	6
I don't consider it effective	2	2
This establishment only makes use of traditional marketing methods	2	2
Other	1	1

Table 4: Reasons for lack of awareness and not using AdWords (n=91)

As indicated in table 4, the majority (63%) of the respondents have never heard of Google AdWords; a quarter (25%) of the respondents does not know how to use it; while the minority (2%) consider AdWords as ineffective. A single respondent indicated another reason, "We use websites such as SA Venues, sleeping out, Safari Now",

Although the question was poorly answered the result indicates that more advertising and communication is required to increase the awareness of AdWords. In the section that follows the use of Google AdWords among the type of establishment and their star-grade are discussed.

### ***The Use of Google AdWords Among the Type of Overnight Establishment***

Table 5 is the cross-tabulation, including type of establishment and the use of Google AdWords. The percentages in Table 5 are row percentages, thus, it is read that 63% of Backpackers use Google AdWords. From Table 5, it can be seen that no caravanning and camping establishments use Google AdWords (0%). It can also be noted that Country Houses (67%) and Backpackers (63%) are among the highest users of Google AdWords. Country Houses and Backpackers are also the only two accommodation types that have the majority of respondents that use Google AdWords (67% and 63% respectively). Thus it can be concluded that for all the other accommodation types, the majority of respondents do not make use of Google AdWords.

Type of Accommodation Establishment	Uses Google AdWords		Does not use Google AdWords		Total	
	%	n	%	n	%	n
Backpackers	63%	5	38%	3	100%	8
Bed-and-Breakfast	16%	6	31%	84	100%	37
Caravanning and Camping	0%	0	100%	2	100%	2
Country House	67%	4	33%	2	100%	6
Guest House	30%	28	70%	65	100%	93
Hotel	40%	8	60%	12	100%	20
Lodge	38%	3	63%	5	100%	8
Self-catering	22%	17	78%	60	100%	77
Other	13%	2	87%	13	100%	15
<b>Total</b>	<b>27%</b>	<b>73</b>	<b>73%</b>	<b>197</b>	<b>100%</b>	<b>266</b>

Table 5: Type of Accommodation Establishment vs. using of Google AdWords (n=266)



A Chi-square test on the cross-tabulation (found in Table 5) indicates whether there is a dependence or independence between the two variables: using Google AdWords and type of accommodation. The results for the Chi-square test can be found in Table 6.

Chi-Square	Df	p-value
17.61	8	0.024

**Table 6:** Chi-square test result for Type of Accommodation Establishment vs. Use of Google AdWords

Table 6 shows that the Chi-square value obtained was 17.61, the degrees of freedom (df) was 8, and the *p*-value was calculated at 0.024. A *p*-value of 0.024 is lower than the 0.05 benchmark, and therefore, the result of the Chi-square test is statistically significant. A statistically significant result indicates that the use of Google AdWords as an e-marketing tool is dependent on the type of accommodation establishment. Once again, a shortfall of the Chi-square test is that the result does not indicate the strength of the association between using Google AdWords and the type of star-graded overnight accommodation establishment; it merely indicates that there is significance.

### ***The Star-Grade of Overnight Accommodation Establishments and the Use of Google AdWords***

Table 7 provides the cross-tabulated results for these two variables with row percentages, which can be read as 19% of three-star establishments using Google AdWords. From Table 7 it can be seen that across all star-grades, the majority of accommodation establishments do not make use of Google AdWords. It can also be seen that those establishments with only one star do not make use of Google AdWords, but the higher the star-grading the higher the percentage of respondents that do make use of Google AdWords. Thus, it is evident that a five-star and a four-star graded accommodation establishment have the highest percentage of respondents that do make use of Google AdWords, with 36% each.

Star-Grading	Uses Google AdWords		Does not use Google AdWords		Total	
	%	N	%	N	%	N
1-star	0%	0	100%	3	100%	3
2-star	15%	2	85%	11	100%	13
3-star	19%	22	81%	92	100%	114
4-star	36%	41	64%	73	100%	114
5-star	36%	8	64%	14	100%	22
<b>Total</b>	<b>27%</b>	<b>73</b>	<b>73%</b>	<b>193</b>	<b>100%</b>	<b>266</b>

**Table 7:** Star-grade of accommodation establishment vs. use of Google AdWords (n=266)

The cross-table was further utilised to conduct a Chi-square test in order to investigate whether the variables: star-grading and the use of Google AdWords, are dependent on each other. The result of the Chi-square test can be seen in Table 8 below.

Chi-Square	Df	p-value
10.92	4	0.027

**Table 8:** Chi-square result for star-grading vs. use of Google AdWords



The results displayed in Table 8 indicate that the Chi-square value obtained was 10.92, degrees of freedom (df) was 4 and the  $p$ -value was 0.027. The  $p$ -value is lower than the 0.05 (5%) bench mark, and therefore, the result indicates that the use of Google AdWords is dependent on the star-grading of the establishment.

## Discussion

The aim is to ascertain overnight establishments use of use of Google AdWords as marketing platforms. A total 278 respondents completed online questionnaire of which 25 (9%) focus exclusively on the international market implying customers/visitors from beyond the borders of South Africa and the majority 164 (82%) caters for both domestic and international customers/visitors. Given the composition of the market, national and international, it can be fairly assumed that marketing communication is vital for overnight accommodation establishments continued existence and that the internet plays a major role in the marketing communication process. This raises questions about how to communicate products and services to the market and what online marketing communication tools do they use. The majority 187 (67%) are aware of Google Adwords as marketing tool but only 76 (41%) of the respondents who are aware of the tools, use it and thus reap some of the benefits on offer.

The findings clearly indicate that Google AdWords is dependent on the star-grading of the establishment and association between AdWords and star-grading had been confirmed by means of chi-square analysis. Google AdWords is more popular among overnight accommodation establishments of a higher star-grading. It can be assumed that the higher the star-grading establishments are more upmarket more resources that can be channelled towards marketing costs. Based on the discussion it is established that star-graded overnight establishments in the Western Cape are using Google AdWords as an e-marketing tool. There is however a dependency on the type and star-grading of the of establishment.

## Conclusion and Recommendations

It is theoretically established that Google Adwords is an e-marketing tool that is suitable for all kinds of businesses and that it offers benefits such as lead generation, market targeting, measuring performance, gaining market information, and tracking competitors. It is advised that business establishments that aim to grow its market share and boost its bottom line should utilise Google AdWords in order to create exposure and increase traffic to their website.

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