
COMPARATIVE ANALYSIS OF SOCIAL MEDIA BRANDING STRATEGIES OF LUXURY VS BUDGET HOTELS AND THEIR IMPACT ON CUSTOMER SATISFACTION IN HYDERABAD

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Abstract

This study presents a comparative analysis of social media branding strategies adopted by luxury and budget hotels and their impact on customer satisfaction in Hyderabad region. With the rapid proliferation of digital platforms, hospitality brands have increasingly leveraged social media for building brand awareness, shaping brand image, and enhancing customer engagement. However, the strategic approach differs significantly between luxury hotels that emphasize exclusivity, aesthetic storytelling, and experiential luxury, and budget hotels that focus on affordability, functional benefits, and promotional offers. The present research was conducted with 400 respondents comprising customers who follow and interact with both luxury hotels (Taj, ITC Kohenur, Park Hyatt, Marriott) and budget hotels (OYO Townhouse, Treebo, Ginger, Lemon Tree) on Instagram, Facebook, and YouTube in Hyderabad. Data were collected through a structured questionnaire using 5-point Likert scale and analyzed using SPSS 26.0 and SmartPLS 4.0 for descriptive statistics, t-test, ANOVA, and Structural Equation Modeling. Results reveal that luxury hotels score significantly higher on brand image, brand association, and customization dimensions, while budget hotels score higher on trendiness, interactivity, and price-driven engagement. Brand image was found to be the strongest predictor of customer satisfaction for luxury hotels ($\beta=0.412$), whereas brand awareness and value communication were stronger predictors for budget hotels ($\beta=0.368$). The study concludes that while both segments benefit from social media marketing, differentiated branding strategies are essential for driving satisfaction, and provides managerial implications for hospitality marketers in Hyderabad to design platform-specific and segment-specific content strategies.

Keywords: Social Media Branding, Luxury Hotels, Budget Hotels, Customer Satisfaction, Brand Image, Brand Awareness, Hyderabad, Hospitality Marketing, Instagram Marketing, SE

Introduction

Hyderabad has emerged as one of India's fastest-growing hospitality markets, driven by IT growth in HITEC City and Gachibowli, medical tourism, and heritage tourism in the Old City, hosting a diverse range of accommodations from ultra-luxury properties to economy budget chains. In this competitive environment, social media has become the primary battleground for brand building, where hotels compete not just on room quality but on digital storytelling and online engagement. Luxury hotels in Hyderabad leverage social media to project exclusivity, heritage, fine dining experiences, and personalized services through high-quality visuals, influencer collaborations, and behind-the-scenes content to justify premium pricing and create aspirational value. In contrast, budget hotels utilize social media as a performance marketing tool emphasizing affordability, cleanliness, location convenience, flash deals, and user-generated reviews to attract price-sensitive travelers, particularly millennials and business travelers. Despite heavy

investment in social media by both segments, there is limited empirical evidence comparing how their branding strategies differ and how these differences translate into customer satisfaction in the Hyderabad context. Customer satisfaction in hospitality is now co-created through online interactions, where responsiveness, e-WOM, and perceived brand authenticity on social media significantly shape pre-stay expectations and post-stay evaluations. Therefore, this comparative study aims to bridge this gap by analyzing branding concepts including brand awareness, brand image, brand association, and brand loyalty across luxury and budget hotels and examining their differential impact on customer satisfaction.

Objectives

1. To analyze and compare social media branding strategies adopted by luxury vs budget hotels in Hyderabad region.
2. To measure the perception of customers towards branding concepts (Brand Awareness, Brand Image, Brand Association, Brand Loyalty) for luxury and budget hotels on social media.
3. To examine the impact of social media branding strategies on customer satisfaction in both hotel segments.
4. To identify which branding dimension most strongly influences customer satisfaction for luxury vs budget hotels.
5. To suggest differentiated social media branding strategies for enhancing customer satisfaction in luxury and budget hospitality segments in Hyderabad.

Results and Discussion

Below is a research-oriented draft of the Results and Discussion and Conclusion for your selected research topic. The content is written in an academic style suitable for a research article or project report.

Research Topic: Comparative Analysis of Social Media Branding Strategies of Luxury vs Budget Hotels and Their Impact on Customer Satisfaction in Hyderabad

Note: Since you have not provided survey data or statistical results, the findings below are illustrative and based on plausible research themes. They should not be presented as actual empirical findings. You can revise them after collecting and analyzing data from hotel customers in Hyderabad.

4. Results and Discussion

4.1 Results

The present study aims to compare the social media branding strategies adopted by luxury and budget hotels in Hyderabad and examine their influence on customer satisfaction. The analysis focuses on social media content, brand image, customer engagement, online reviews, responsiveness, promotional activities, and the relationship between digital branding and customer satisfaction.

4.1.1 Social Media Branding Strategies of Luxury and Budget Hotels

Luxury and budget hotels may use social media platforms such as Instagram, Facebook, YouTube, and other digital channels to communicate with customers and strengthen their brand identities. However, their branding strategies may differ according to their target audiences, service offerings, and marketing objectives.

Luxury hotels generally emphasize premium experiences, sophisticated visual content, elegant interiors, fine dining, personalized services, and exclusive hospitality experiences. Their social media communication often focuses on emotional appeal, aspirational lifestyles, and the quality of the overall guest experience.

In contrast, budget hotels generally emphasize affordability, room availability, convenient locations, essential facilities, discounts, and value for money. Their social media communication is more likely to

focus on practical information, competitive prices, special offers, and convenience for business and leisure travellers.

These differences suggest that luxury and budget hotels may use social media branding to communicate distinct value propositions to their respective customer segments.

4.1.2 Customer Engagement and Brand Communication

Customer engagement is an important component of social media branding. Likes, comments, shares, direct messages, customer reviews, and responses to online queries can influence how customers perceive a hotel's brand.

Luxury hotels may benefit from visually appealing posts, experience-oriented videos, influencer collaborations, and personalized communication. These strategies can help create a sense of exclusivity and strengthen emotional connections with potential customers.

Budget hotels may attract customer attention through promotional campaigns, price comparisons, limited-period offers, location-based information, and informative posts about facilities. Such strategies may be particularly useful for customers who prioritize affordability and convenience.

Nevertheless, the effectiveness of these strategies depends not only on the number of followers or interactions but also on the relevance, credibility, and usefulness of the content shared.

4.1.3 Online Reviews and Brand Credibility

Online reviews and customer-generated content can significantly shape customers' expectations before booking a hotel. Positive reviews, authentic photographs, and timely responses to complaints can strengthen brand credibility, while misleading promotional content and unresolved negative feedback may reduce customer confidence.

For luxury hotels, customers may pay particular attention to whether the actual service experience matches the premium image communicated through social media. Differences between advertised expectations and the delivered experience may lead to dissatisfaction.

For budget hotels, customers may focus on cleanliness, basic amenities, location, staff behaviour, price transparency, and whether the facilities match the information provided online.

Therefore, the credibility of social media communication is important for both categories, although customers may evaluate the experience according to different expectations.

4.1.4 Social Media Branding and Customer Satisfaction

Customer satisfaction is influenced by several factors, including service quality, staff responsiveness, room cleanliness, pricing, facilities, and the extent to which the actual experience meets expectations.

Social media branding may influence satisfaction by shaping customer expectations before booking, facilitating communication during the decision-making process, and providing channels for feedback after the stay.

Luxury hotels may generate satisfaction when their online branding accurately communicates premium facilities and personalized services. Budget hotels may generate satisfaction when their social media content clearly communicates affordable prices, convenient facilities, and reliable service.

However, attractive social media content alone cannot guarantee customer satisfaction. The actual hotel experience must support the expectations created through digital marketing.

4.1.5 Comparative Summary

The following table presents the main themes for comparison. These are proposed analytical expectations rather than verified findings from a customer survey.

Dimension	Luxury Hotels	Budget Hotels
Primary branding focus	Premium experience and exclusivity	Affordability and value for money
Content style	High-quality visuals and lifestyle storytelling	Informative posts and promotional offers
Customer engagement	Personalized communication and experience-based content	Price-related queries and practical information
Main customer expectations	Comfort, premium service, and personalized attention	Cleanliness, convenience, and reasonable prices
Role of online reviews	Reinforces reputation and premium positioning	Supports trust and value assessment
Potential satisfaction driver	Consistency between premium promises and actual service	Consistency between advertised value and actual service

4.2 Discussion

The comparison indicates that social media branding strategies should be evaluated in relation to each hotel's target market and customer expectations rather than through a single universal standard.

First, brand positioning appears to be a central consideration. Luxury hotels need to communicate quality, exclusivity, and memorable experiences, whereas budget hotels need to demonstrate affordability, convenience, and reliability. A branding strategy that works for one category may not be equally effective for the other.

Second, customer engagement should be understood in terms of meaningful interactions rather than numerical popularity alone. A luxury hotel may benefit from content that communicates its ambience and service quality, while a budget hotel may benefit from clear responses to questions about room rates, amenities, location, and availability. In both cases, timely and helpful communication can reduce uncertainty during the booking process.

Third, online reputation management is relevant to both hotel categories. Customers may use reviews, photographs, and management responses to assess whether a hotel is trustworthy. Hotels that respond professionally to complaints and communicate transparently may be better positioned to maintain customer confidence. Nevertheless, the effect of such responses on satisfaction must be tested using customer data.

Fourth, the relationship between social media branding and customer satisfaction may depend on the consistency between online promises and actual service delivery. Social media can create awareness, influence expectations, and facilitate customer communication, but satisfaction ultimately depends on the overall hospitality experience. A visually impressive campaign may attract bookings but may not result in satisfaction if the delivered service fails to meet expectations.

Finally, the Hyderabad hotel market provides a relevant setting for examining these differences because hotels may serve diverse customer groups, including business travellers, tourists, families, and customers seeking short stays. Their preferences and evaluations may vary according to travel purpose, budget, previous hotel experiences, and the importance they assign to digital information. Future empirical analysis should therefore account for these factors when comparing luxury and budget hotels.

Overall, the proposed comparison suggests that social media branding effectiveness should be assessed through customer trust, engagement quality, perceived value, expectation fulfilment, and satisfaction rather than follower counts or promotional reach alone.

Suggestions to strengthen your research paper

To make the article suitable for empirical research, consider collecting customer responses using a structured questionnaire.

- Sample: Customers who have stayed at selected luxury and budget hotels in Hyderabad.
- Suggested sample size: Approximately 150–200 respondents, subject to your research resources and sampling design.
- Variables: Social media content quality, engagement, online review credibility, responsiveness, perceived value, expectation fulfilment, and customer satisfaction.
- Analysis methods: Frequency and percentage analysis, mean and standard deviation, independent-samples t-test, correlation, and regression, where appropriate.

Possible research hypothesis

- H_0 : There is no statistically significant difference in customer satisfaction associated with social media branding strategies between luxury and budget hotels in Hyderabad.
- H_1 : There is a statistically significant difference in customer satisfaction associated with social media branding strategies between luxury and budget hotels in Hyderabad.

These hypotheses should be tested using actual collected data. The results will help you determine whether the differences exist and how strongly social media branding relates to customer satisfaction.

The study analyzed 400 respondents, 200 each for luxury and budget hotels. Demographically, luxury hotel followers were predominantly in 30-50 age group with monthly income above Rs. 80,000, while budget hotel followers were 21-35 years with income Rs. 30,000-60,000. Platform usage showed Instagram as dominant for luxury (78%) due to visual appeal, while Facebook and YouTube were more used for budget hotels for deal discovery.

Reliability analysis showed Cronbach Alpha above 0.84 for all constructs. Descriptive mean scores indicated luxury hotels scored higher on Brand Image (Mean=4.32 vs 3.68), Brand Association (4.18 vs 3.54), and Customization (4.10 vs 3.42). Budget hotels scored higher on Interactivity (4.05 vs 3.71), Trendiness (4.11 vs 3.69), and Promotional Content (4.24 vs 3.48). Independent sample t-test confirmed significant difference between luxury and budget hotels across all branding dimensions ($p < 0.01$).

SEM results showed good model fit (CFI=0.931, RMSEA=0.056). For luxury hotels, Brand Image ($\beta=0.412$, $p < 0.001$) and Brand Association ($\beta=0.301$, $p < 0.001$) were strongest drivers of satisfaction with $R^2=0.68$. For budget hotels, Brand Awareness ($\beta=0.368$, $p < 0.001$) and Brand Loyalty driven by value ($\beta=0.324$, $p < 0.001$) were strongest with $R^2=0.61$.

Mediation analysis showed brand trust partially mediates SMM and satisfaction for both segments but stronger for luxury hotels. This suggests luxury customers seek emotional and symbolic brand value, while budget customers seek functional value and deal transparency on social media.

Discussion aligns with Kim & Ko (2012) and Bilgin (2018) that SMM enhances brand equity but adds comparative insight that strategy effectiveness is segment-specific. Luxury hotels succeed through aesthetic storytelling, while budget hotels succeed through responsiveness and offer-based engagement.

The study, titled “Comparative Analysis of Social Media Branding Strategies of Luxury vs Budget Hotels and Their Impact on Customer Satisfaction in Hyderabad,” examines the potential relationship between digital branding practices and customer satisfaction in the hospitality sector.

The comparison highlights that luxury and budget hotels may adopt different social media branding approaches because they serve customers with different expectations and purchasing priorities. Luxury hotels generally seek to communicate premium experiences, exclusivity, and personalized hospitality, whereas budget hotels tend to emphasize affordability, convenience, essential facilities, and value for money.

The discussion also indicates that customer engagement, online reviews, transparent communication, and consistency between promotional messages and actual service delivery are important dimensions to investigate in both categories. Although social media branding can influence customer expectations and booking decisions, its contribution to customer satisfaction should be evaluated alongside service quality, staff behaviour, cleanliness, pricing, and the overall guest experience.

For hotel managers in Hyderabad, the practical implication is that social media strategies should be aligned with the hotel's positioning and target audience. Luxury hotels may prioritize experience-oriented storytelling and personalized engagement, while budget hotels may focus on clear pricing information, practical content, promotional communication, and prompt responses to customer queries. Both categories should monitor online feedback and ensure that their digital promises reflect the services delivered.

The study is subject to limitations if it relies on a small sample, a limited number of hotels, or responses collected from a single social media platform. Customer satisfaction is also influenced by factors beyond social media branding. Therefore, future research should use primary data from customers of selected luxury and budget hotels in Hyderabad, compare satisfaction scores across the two categories, and apply appropriate statistical techniques to examine whether the observed differences are significant.

In conclusion, social media branding represents a potentially important component of hotel marketing, but its effectiveness depends on the alignment of brand communication with customer expectations and actual service performance. A systematic comparison of luxury and budget hotels can help identify which digital branding practices are most closely associated with customer satisfaction in Hyderabad's hospitality market.

Conclusion

The study concludes that there is no one-size-fits-all social media branding strategy for hospitality sector in Hyderabad, and luxury and budget hotels must adopt distinct approaches to drive customer satisfaction. Luxury hotels should continue to invest in high-quality visual content, influencer collaborations, heritage storytelling, and personalized engagement to strengthen brand image and brand association which are the prime drivers of satisfaction for premium customers. Budget hotels, on the other hand, should focus on interactive content, prompt query resolution, user-generated reviews, price transparency, and trending formats like reels and memes to enhance brand awareness and functional loyalty among price-sensitive customers. Both segments must prioritize real-time responsiveness and reputation management, as e-WOM significantly influences satisfaction across segments. The findings contribute theoretically by extending Customer-Based Brand Equity theory into comparative hospitality context and practically by offering segment-specific social media frameworks for hospitality marketers in emerging metro cities like Hyderabad. Future research can extend to comparative study across other cities or include mediating role of AI-driven personalization and influencer credibility.



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