



Social Media a Promotional Tool: Hotel Industry

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Abstract

The advent of new technology such as the social media has become one of the important business imperative. It has altered marketing strategies of growing hotel industry. Its interactivity and accessibility qualify it as one of the most cost effective marketing tools today. With growing competition and demand hoteliers need to rethink their strategy at each level of business model and also need to align its strategies with customer requirement. This research seeks to explore use of social media by business hotels in NCR and customers perspective in context to usage and advantages of social media. The results and limitations of the study and future directions of research are discussed.

Keywords: social media, marketing, hotel industry, customers perspective

Introduction

Internet, the most important technological phenomenon today, provides completely new competitive opportunities to the hospitality and tourist firms (Andrlic and Ruzic, 2010). The Internet has transformed way consumers and companies connect around the world overcoming geographical and time constraints (Harris & Rae, 2009).

Online communities provide people various reasons to connect including searching for and sharing information, discussing communal issues, and making inquiries (Wang & Fesenmaier, 2004). With rapid changes in information technology, these online activities are now performed via a new form of communication technology known as Web 2.0 or social media (Gretzel, Kang, & Lee, 2008).

Marketing opportunities for hotel industry has vastly increased with time due to growth of internet . The advent of social websites such as Hotels.com, Expedia.com and Travelocity.com as well as a few home grown websites like MakeMyTrip and Yatra.com has also been witnessed in recent years. Additionally, independent hospitality review and opinion websites like Tripadvisor.com are also very popular with the travelling population of today. The pressure on consistent delivery of brand promises is further maintained by online customer feedback which impacts the attraction quotient of the product for other prospective customers.

The emergence of Internet marketing and new technologies has had a significant impact on the operations of marketers and consumers. Technology innovation has developed with the change of consumer behavior.

The research objectives for this study are to identify how hotels use social media for their marketing communications and also to determine its effectiveness and importance of this media on consumers' hotel selection process. Recommendations are provided on improving the effectiveness of marketing communication through social media.

Review of Literature

Blackshaw (2006) describes social media as the internet-based applications that carry consumer generated content that is relevant to the past experiences or any source or online information issues. The consumers create this themselves, based on their experience with products and services, and share it among themselves aiming at educating about the products and services (Xiang & Gretzel, 2009). These can be seen as extension of word of mouth (WOM), a very powerful tool that influences consumer behaviors.

The twenty-first century is witnessing an explosion of Internet-based messages transmitted through social media. These media have become a major factor in influencing various aspects of consumer behavior from awareness to post-purchase behavior (Mangold & Faulds, 2009). The marketing trends have now changed and instead of firms communicating to their consumers now consumers can also communicate with other consumers using social media. Many consumers now see social media as the most trustworthy source of information about the products and services than communications derived from the corporations. Unfortunately, there is very little guidance offered to the marketing managers for incorporating this media with integrated marketing communication strategies.

There are different types of social networking sites such as Facebook.com, MySpace.com, Twitter.com; consumer review sites such as tripadvisor.com, lonelyplanet.com, and business sites such as LinkedIn.com for instance. Trip Advisor is one of the popular sites where consumers share their experience through comments and has become a very powerful WOM communication (Ramsey, 2006). Marketers need to control and enhance positive WOM by working on relationship management, in order to be effective in marketing communication through these channels (Payne and Frow, 2005).

Given the intangible nature of tourism and hospitality services, consumers who have never been to the destination rely a lot on embracing the information supplied by other people through word of mouth and social networking sites on the

internet (Saranow, 2004; Ricci and Wietsma, 2006). Compete Incorporated (2007) estimates the consumer's generated content has influenced more than \$10 billion annually in online travel due to the increased reliability it is considered to have compared to more traditional forms of travel marketing.

Social Media also serves as cost cutter as it is a low cost medium to communicate and indicate the insight on users' preferences, attitudes, feelings and behavior, in a way more direct and efficient than the use of a research company to figure out this information (Li and Bernoff, 2008). Social media also have significant impact on hotels that are using them to attract new clients, maintain the existing ones and also boost their online presence.

They cannot ignore the rising popularity of social networking sites and UGC content nor the role they are playing in the trip planning behavior (Cox, Burgess, Sellitto and Buultjens, 2009). Hotels are increasingly using Facebook and Twitter to publicize new activities and offers and keep up to date with customers. Hotel bookings are increasingly being affected by the many forms of Social media and the peer and guest reviews that have proliferated throughout those sites (Astbury, 2011)

Research Methodology

Objective of the Study were :

1. Identify areas and functions these business hotels use social media for.
2. To explore the benefits of social media to business hotels
3. Investigate consumer's perspective regarding the advantages of social media
4. Understand how consumers perceive these new vehicles of communication

Survey Instrument

In this research survey questionnaires were used. First questionnaire was for Business Hoteliers titled, 'Hoteliers perspective on using various social media tools as part of their marketing strategy'. It's a subjective questionnaire which consists of 10 questions assessing usage of social media by hotels and determining its advantages. Second questionnaire was for Customers titled, customer's perspective and habits of using various social media tools for booking business Hotels in NCR. This questionnaire is objective type consisting of 10 multiple choice questions, which helps in understanding opinion of customers in context to use of social media.

Sampling

For Hotels, stratified sampling techniques was used. List of NCR Business hotels was procured from internet and according to the feasibility 20 names were shortlisted and contacted.

For Customers, stratified sampling technique was used. Sample was based on criteria of age and nature of job. Individuals between age group of 25-35 years with job profile of marketing executives were selected for research purpose.

Result and Analysis

Hotels' perspectives (survey analysis)

For many hotels in NCR, social media is still a new marketing communication tool to learn and be engaged with. However, social media are starting to have an impact on hotels that are using them to attract new clients, maintain the existing ones and to boost their online presence. Many of the hotels commented that it is a must to engage in social media as a part of their marketing tools even though they are not actively doing so. Some of the hotels use this media in order to keep up to date with the current trends.

The major reasons hotels practice social media marketing is to build image and to promote their hotels. The majority of the hotels stated that they adopted social media marketing to enhance their image and to provide PR for the hotels. Social media channels can enable them to learn more about customer preferences and their behavior, and help with their Customer Relationship Management (CRM).

The majority of the hotels mentioned that although social media cannot help them to sell directly, they help the hotel in terms of brand awareness and exposure to outside people. They further mentioned that it acts as a powerful tool to connect between users. Some stated that social media helps them to reach their target market but more as a long-term tool than as a short-term one.

Most respondents agreed that although social media are not yet directly revenue generating for some hotels, they are an increasingly effective tool for the hospitality industry and believe in long run it can lead to good results.

Hotels owners are aware of the importance of the social media popularity, with Facebook and TripAdvisor being the two most popular, in enhancing their image and PR, followed by Twitter, and the power has shifted towards this media. They are working on investing more in social media in terms of personnel and time as currently for them it is not a very high investment. Many of the hotels stated that although they are not very active in this now, in the near future they will be more involved in this media as that would be the main channel to interact with the customers and promote their hotels.

Consumers' Perspectives (survey analysis)

Shortlisted 15 respondents who were between age group of 25-35 years, were given questionnaires and following findings were analysed.

More respondents tend to use Facebook and TripAdvisor to search for travel related information. They mentioned that social media can help in selecting hotels and create brand awareness.

Conclusion

There is no doubt Social media marketing has been considered an important media tool nowadays by various companies. Its not only easy to use but can be used to reach wider spectrum of customers. Its cost saving and can surely help in brand building. Companies should invest and explore this medium of marketing as in long run it will definitely take over other marketing mediums.

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