How social media benefits the hospitality industry research paper examples

Business, Marketing

In a world moving fast forward, social media networks have come to play a significant role in reshaping the marketing strategy as we know it so far. Online marketing is now a fact and comprises an important factor for businesses that are after a " bigger slice of the target market pie" (Tabtrett, 2012). Among the companies that are affected by the social media networks and closely follow them, in order to go with the flow and benefit the most of the new power arising from them, are the hospitality industry companies. With more than 400 million Facebook users and about 50 million tweets send per day (Mastrogiacomo & DeGeorge, 2010), it is apparent that today's travel consumers are hyper-interactive communicating with friends and commenting on hotels and restaurants, via sites like TripAdvisor, where people share their travel experiences and write reviews of everything they have experienced. Social media can benefit the hospitality industry in more ways than one and as mentioned in an article in Hotel Management (2010), " We don't have a choice on whether we do social media; the question is how well we do it" (Mastrogiacomo & DeGeorge, 2010). The hospitality industry has an enormous chance to market with the help of powerful tools like Facebook, Tweeter, blogs and YouTube, among others (Miller, 2012).

A recent survey conducted on behalf of First Merchant Services, L. L. C. & Coyle Hospitality Group (2012) has shown that about 94 percent of participants –restaurant operators and hotel/motel operators- reported that their business was using social media to connect with their customers (2012 Trend Report p. 5). Facebook appears to be the leading social media platform followed by online review sites and tweeter, so it is apparent that only a dedicated social media manager could manage to bring brand

awareness (2012 Trend Report p. 7, 9). A social media manager's role also includes managing hotel and restaurant reviews, which will not always be positive, and affect potential future customers (Khan, 2012). Unfortunately, when it comes to reviews, there is no rules or guidelines for people that review, which makes it easy for everyone, including a competitor, to misuse the power given by the social media; companies that have accepted a negative review are shown in great denial to apologize for a bad service, which damages the social media marketing strategy (Khan, 2012).

Undoubtedly, hospitality is driven by people's opinions. When visitors make recommendations or write reviews on a place they have travelled to, dinned in, got accommodated in, flew from and at, and so on, it affects other people's decisions. It seems that peer reviews is the most prevailing method of persuasion nowadays, given that consumers rush to share their experiences with brands online (Tabrett, 2012). So, it becomes obvious that if the services provided are of high standards and the consumer gets the best customer service experience, customers' feedback will automatically play the role of the best advertisement for hospitality companies. However, social media is not advertisement, nor it should be perceived or measured as such, and it is highly likely that it will not bring the desired results if delivered using a sales tactic (Saugestad, 2009). It requires a great deal of effort and strategic planning on how to engage customers and most importantly, how to keep them engaged.

Additionally, when a company is shown on social media it is visible to a greater audience, which in turns increases the exposure to new potential customers (Tabrett, 2012). But, in order to take full advantage of the

benefits offered via social media networks, one needs to be very clear on their objectives and goals, when deciding on an online marketing strategy and select the proper social media platform that will best serve their goals (Roberts, 2012). Of course, companies also need to focus on their content strategy too to make their website engaging and sharable, plus they need to participate in conversations to make social media work for them (Roberts, 2012). User interaction and maintain users' interest is important; for that reason, hospitality companies apply various social media strategies, like creating a blog of their website, offering a comprehensive customer feedback form for their customers to leave their feedback, building buzz via promotions and contests and keeping constant flow of new information with interactive calendars of events, among others (Mastrogiacomo & DeGeorge, 2010).

A rising trend that the hospitality industry can benefit from is mobile users' online searches; consequently, a hotel or restaurant with a user-friendly mobile site that plays engaging creative videos can in fact " leave fans with a more intimate perception of somewhere they may consider residing in the future" (Miller, 2012), and for those that have visited the particular place, a site that runs well on a mobile device can make sharing easier. For example, Hilton Worldwide estimates that more than 600, 000 customers have downloaded the hotel's mobile app and made reservations or moderated them as per their needs and likes (Weed, 2011). Mobile technology also benefits airports, given that social media applications, like Facebook and Tweeter, allow airport operators to interact with passengers in real time (Fisher, 2013 p. 2). Moreover, airport operators benefit from the use of social

media by helping customers locate facilities and services and as a means to promote the airports via " advertising new service by airlines and airport concessionaires, offering discounts, promoting special events, or organizing contests" (Fisher, 2013 p. 2). For example, Gatwick, the second busiest airport in the UK, used Yammer, an enterprise social network, especially during the 2012 Olympic Games, to share dynamic updates on how the Games impacted Gatwick and external news, like athletes' positive reviews from their experience in Gatwick, among many others, that resulted in engaging Gatwick's community and empowering Gatwick's employees to share what they are working on (All Things IC, 2013).

On the other side, there are views that claim that social media is not for everyone. According to an article posted in WIPH, an online marketing firm specializes in hotel marketing, " no hotel has reported incredible direct revenues from social media" (Ramelli, 2012). To them, social media is all about having something interesting to say on a regular basis, otherwise companies are easily considered irrelevant by users, which is why simply having nice rooms will not do (Ramelli, 2012). For that reason, the fastest interaction level goes to high tech hotels and the same applies to luxury hotels and boutiques. It seems that those hotels have more emotional value, compared to classic hotels, which in turns make people want to visit them and experience something out-of-the-ordinary that will worth sharing (Ramelli, 2012). An article written by Julia Weed (2013) and published in The New York Times, mentions that hotels and restaurant operators have started going beyond surveying their customers about the obvious: cleanliness and satisfaction, but have focused on whether their customers have emotionally

connected with the brand, including the customers interaction with members of the staff (Weed, 2013).

Apart from that, hotels that have invested in user-friendly booking engines for wherever the customer is, rather than asking the customers to track the booking engines themselves, to keep the conversation between the hotel and the guest, have seem amazing results (Weed, 2011). Starwood Hotels and online agencies like Expedia have seen their online bookings and share of online bookings respectively, rise by about 45 percent (Weed, 2011). Hyatt allows their guests check in and check out by using their smartphone, making life for their customers so much easier, while it also scans and analyzes comments from their social media platforms (Weed, 2013).

Others, seem rather skeptical about whether social media will bring benefits to the hospitality industry as it is not applied for long enough to have solid results, and even though social networking channels are in fact a free marketing service (DLA Piper, 2010 p. 6), caution is suggested. There is also a percentage of people that believe social media has indeed empowered consumers by giving them a voice that can be heard loud and clear, yet, has failed to " allow businesses to control their own Web presence or acknowledge that sometimes, customers, too, can be at fault" (Garun, 2013). A clever tactic followed by Red Medicine restaurant, though, has straighten things up on this particular matter, as the company itself has now the chance to review customers that have wronged the business (Garun, 2013). Glenn Withiam (2003), director of publications for the Cornell University Center for Hospitality Research, reported that social media sites are also useful to driving traffic to a hotel's website (p. 8-9). Also, when a hotel

participates in numerous social media channels, it has increased potentials to climb higher in the search results page (Withiam, 2003 p. 9). Moreover, social media travel conversation analysis can bring great understanding of consumers' behavior, which in combination with market analysis and brand and product analysis can open doors for increased sales (Withiam, 2003 p. 9-10).

All in all, there is no question that social media has changed the way consumers plan and purchase travel. People love to share their experiences with their social media networks and provide reviews and feedback depending on the value of their experience in the hospitality industry. Consequently, the hospitality industry can indeed benefit from social media, not only to drive traffic to their business' website and increase potential sales, but also to communicate with their customers, engaging them and keeping them engaged with various strategies, making the customer-hospitality operator relationship, a win-win collaboration with great future potentials.

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