

Social Media Marketing in Selected UK Luxury Hotels

Mandy Claudia Leue,
Timothy Jung, and
Tim Knowles

Department of Food and Tourism Management
Manchester Metropolitan University
mandy.leue@ritz.edu, t.jung@mmu.ac.uk, t.knowles@mmu.ac.uk

Abstract

Within the UK service sector social media marketing is one of the fastest growing forms of online marketing, yet recent research has shown that hotels have been slow to implement these networks into their overall marketing strategies, therefore failing to capitalize on customer relationship management opportunities emerging through these networks. This study aims to explore how four and five star UK hotels have implemented social media networks into their marketing strategies. Further, hotel guests' reasons to use social media and expectations on hotels regarding their social media pages are presented and analyzed. To conduct this research, 32 interviews were held with 14 hotel social media managers, 2 hotel PR (Public Relations) agencies and 16 hotel guests using social media pages. The research has shown that UK luxury hotels have created social media strategies and are aware of its advantages and disadvantages. Further, the research revealed that there are differences between hotel guests' expectations and hotels strategies on social media networks.

Keywords: Social media networks; social media marketing; UK luxury hotels

1 Introduction

Social media marketing is one of the fastest growing forms of marketing. Especially within the information intensive tourism and travel sector, this results in a shift of traditional marketing strategies towards online, fast paced and interactive marketing techniques (Laudon and Traver, 2010). In 2012 however, a research revealed that hotels have been putting strategies regarding social media on hold due to a lack of tangible effects on sales (Karantzavelou, 2012). In the light of previous research assessing the lack of social media strategies within hotels (Karantzavelou, 2012 Chan and Guillet, 2011), this paper aims to identify how far UK four and five star hotels implemented social media into their marketing strategies. In addition, the discrepancy between hotel guests' expectations of social media and hotel social media managers' perceptions of what hotel guests expect online will be analyzed.

2 Literature Review

In recent years, the hotel sector has been concerned at the eroding of loyalty as a result of online channels and intermediaries (Neslin et al., 2006). However, social media networks reversed this trend through a focus on interaction between organisations and customers. Turner and Shah (2011) noted that social media marketing is about having a continuing dialogue with customers which enables the

development of a positive and profitable relationship. Taking into account the current trend of driving direct sales without intermediaries, social media networks therewith offer an opportunity to increase margins and at the same time built up relationships. In addition, social media networks offer the opportunity to spread messages and consequently increase the customer base. A further aspect is the importance of word-of-mouth. Potential guests perceive the booking at a hotel as extremely risky (Palmer, 2005). Fotis et al. (2010) concluded that decisions that are uncertain or involve higher risk are taken when previous customers have been satisfied. Social media networks are therefore an important portal for potential guests to review hotel guests' comments and recommendations, maybe even pictures or videos in order to receive the real picture of what the hotel is actually like.

Social media networks are a relatively new area within hospitality research with only a few studies focusing on the phenomenon. The focus thereby has primarily been either on the demand side, whereby the influence of social media on the decision making process was evaluated (McCarthy et al., 2010) or the supply side perspective investigating the degree of hotels social media performance (Chan and Guillet, 2011). Whilst research to-date has been mixed, the importance of social media however was strengthened by McCarthy et al. (2010) concluding that other hotel guests' reviews and recommendations on social media networks play an important role within the hotel decision making process. However, there is little research in the literature that addresses the gap between hotels' social media marketing strategy and hotel guest's use and expectations of social media usage. Therefore, the aim of this paper is to examine the current implementation of social media network into marketing strategy by UK hotels as well as to investigate the usage and expectations of hotel social media pages by hotel guests'.

3 Methodology

The primary data used for this exploratory study consisted of 32 semi-structured telephone interviews which were conducted within the UK from December 2011 until March 2012. For the supply side, 14 interviews were conducted with four and five star hotel managers that were responsible for the social media activities within their hotels and two more interviews were held with PR agencies that were responsible for the social media appearance of four star hotels. For the demand side, eight interviews were conducted with leisure hotel guests that follow hotel pages on social media networks and eight interviews with leisure hotel guests that are active on social media however, have not followed or liked a hotel. The profile of respondents was summarized in Table 1. The interviews have been analyzed using thematic analysis by applying coding within the transcripts to identify the key underlying issues of social media marketing.

Table 1. Profile of Respondents

Interviewee Code	Respondent Job Title
SMM 1-14	Social Media Marketing Managers
PR 1-2	Public Relations Agents
GF 1-8	Guests Following Hotels on Social Media
GNF 1-8	Guests Not Following Hotels on Social Media

4 Research Findings

The interviewed social media marketing managers have pointed out a number of reasons why UK four and five star hotels engage in social media activities. For once, three interviewees (SMM1, SMM10, SMM11) revealed the increased pressure of competition to be a major reason to engage in social media to avoid to be overrun by competitors marketing strategies. Further, new ways of communications were pointed out by three other managers (SMM2, SMM9, SMM12) to be the reason to engage on social media. It was identified that today's trends of smartphones and tablets strengthen the need for hotels to be present on social media as it is the easiest way to get in contact and gather information. This was confirmed through the interviews with the demand side. Throughout the interviews with hotel guests which are following hotels on social media networks but also those who are active on social media however have not followed a hotel online, there has been a general consensus that social media networks facilitate the information gathering due to the accessibility of information.

As mentioned earlier, previous researches revealed that hotels generally lack strategies in terms of social media marketing (Karantzavelou, 2012; Chan and Guillet, 2011). However, the majority of social media marketing managers interviewed confirmed the presence of some social media strategy. SMM1 pointed out that their strategy includes the building up of loyalty through social media by encouraging friendship-like relationships with existing and new customers with the aim of "less talking to them and more talking with them" which is a key aspect of relationship marketing. While social media managers perceived the interaction with guests on social media to be the most important aspect, the interviewed hotel guests only moderately agreed to this point of view. Instead, hotel guests were much more concerned with the aspect of word-of-mouth on social networks and the possibility to receive reviews on previous experiences. This in turn, was perceived to be an important aspect of social media networks by eight social media managers. SMM3 confirmed that "people share experiences and comments and whenever other people read this they trust these opinions more than they trust official statements from the hotel itself". Another five star hotel social media manager, SMM2, pointed out that their strategy involved the continuous monitoring of all social media activities including Tweets and Re-Tweets. The strategy involved to "drive [complaints] into [the] e-mail address to get them actually off posting it on Twitter or Facebook". This was considered a general fear of managers that guests post something negative on social media in order to be offered something for free (SMM1). One hotel guest who follows hotels on social media networks also raised this concern stating that "I will make up my own mind by reading them and not trust everything because sometimes these comments even might be from the hotels competitors who want to show the hotel in a bad light" (GF2). GNF7, another hotel guest who does not follow hotels on social media raised her concern by pointing out that hotels might delete negative comments or even initiate the posting of positive ones, a reason for the interviewee to avoid following hotels on social media. This is in line with the general opinion among all hotel guests that trust is an important component of social marketing and an area that should be fostered by hotels. Other strategies that were revealed during the

interview with social media managers included the repeated use of competitions in order to increase the number of likes and followers and benefit from enhanced word-of-mouth. This point of view was not shared hotel guests as the desire for competitions has not been raised once throughout all interviews with guests. Only GF 1 and GF5 pointed out that hotels should initiate enjoyable atmospheres on their social media pages in order to get benefit from the viral aspect of social media networks and increase the number of followers.

The general opinion of the usefulness of and issues regarding social media networks in relation to hotel marketing was shared among hotel guests that already follow hotels on social media networks and those who are using social media regularly however do not follow hotels on any network. In order to get the attention of hotel guests that have not considered to follow previously, one guest stated that “I think the only thing is promotions, only special offers would attract my attention” and another guests confirmed this by pointing out that “special offers would be a good reason for it”. This perception was shared by PR2 revealing that “offers are a big motivation factor to follow for anyone coming to us on Twitter or Facebook”. Another interesting question has been whether hotels are convinced of positive effects of social media marketing. SMM6 pointed out that it is impossible to “track return on investment on social media”. He furthermore strengthened that it is a way of PR and direct customer relationship which is an important part of hotel marketing. SMM6 furthermore added “it is all about reputation really and you can not really put a price on that”. PR1 even went a step further and argued that there is no tangible value in social media marketing as it is difficult to measure except when rooms or services are directly booked through social media or social media codes quoted while booking. There have been discrepancies in the opinions of hotel guests and social media managers. The main themes that emerged through the interviews with social media managers and the PR agencies have been regarding the importance of interaction and information quality on social media networks. Hotel guests on the contrary were most concerned with the idea behind trust on social media networks, being able to receive electronic word-of-mouth as opposed to getting “airbrushed pictures” on hotels’ own websites (GF7).

5 Discussion and Conclusion

This paper shows that there has been only limited hospitality research within social media marketing to date. This paper contributes to the understanding of hotel guests’ expectations in terms of social media, and what is in many cases a disconnect with marketing executives, all of which is of particular interest to the hotel industry at all market levels and price points. This paper shows in a limited way an evolving and continuing change in industry structure of the relationship between supplier and customer, with the objective of maximizing competitive advantage. The nature and structure of intermediaries is changing, within the UK; it is of course an open question as to trends at an international and global level. There is some evidence to show that matters vary considerably from country to country, region to region around the world. It is therefore vital that this paper does not generalise from the particular and that academics are not ethnocentric in their viewpoint. Throughout the interviews with UK

four and five star hotel social media managers however, there has been a general consensus that UK hotels increasingly channel their strategies on more and more online networks in order to keep in touch with the existing target market, attract new customers and stay ahead of competition. The research shows that there is a competitive and strategic gap between hotel guests' expectation and hotels social media marketing strategy. While hotels have their focus on competitions to attract attention to their sites, increase follower number and go viral; hotel guests have been more concerned with the aspect of word-of-mouth and being able to gather first hand experiences which is in line with the research by McCarthy et al. (2010). In essence the consumer is interested in a reduction or minimization of risk in the purchase process. Further, this study reveals that the state of social media adoption within hotels in the UK seems to have evolved from previous studies, yet the industry is more complex than star ratings might imply. Although the degree of social media adoption varied between the hotels all seemed to be aware of the opportunities that come with it and are taking measures to capitalise on them.

Based on the current exploratory research, further research will be conducted in order to develop a theory from the themes that emerged through the interview analysis. Future research could take a closer look at the differences of social media marketing and strategies of four and five star hotels. Another interesting research avenue that emerged through the interviews and which would be particularly interesting for the hotel industry is the potential value and return on investment of social media marketing for the hotel industry.

6 References

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