ABSTRACT:

The role and the existing and potential use of online social networking as a relationship marketing (RM) tool is evaluated in the context of luxury hotels. Semi-structured interviews were conducted with the persons responsible for the management of social networking in 10 luxury hotels. Constant comparative analysis, applied within a codebook framework, revealed online social networks (OSNs) provided RM opportunities and increased business value. It is acknowledged that the full potential of OSNs has yet to be realised in terms of hotel marketing. Opportunities for extending the utilisation of OSNs are identified alongside recommendations for hotel marketing practitioners with regard to addressing consumers’ needs, and areas for further research are outlined.

Keywords: Relationship marketing; Online Social Networks; UK Luxury Hotels

AUTHORS:

Timothy H. Jung*, Elizabeth M. Ineson, Emma Green

Manchester Metropolitan University, Hollings Faculty, Old Hall Lane, Manchester M14 6HR, UK
The Arch London, UK

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Online Social Networking: Relationship Marketing in UK Hotels

*Dr. Timothy H Jung
Manchester Metropolitan University, Hollings Faculty, Old Hall Lane, Manchester, M14 6HR, United Kingdom
Tel: +44(0)161 247 2701, Fax: +44 (0)161 247 6334, e-mail: t.jung@mmu.ac.uk
Timothy Jung’s role in Manchester Metropolitan University focuses on PhD supervision and conducting a number of research projects in relation to ICT. Prior to joining the Manchester Metropolitan University, he was involved in the eBusiness research project as a research officer at Surrey University. He is an active member of professional associations and he is a regular contributor to international conferences on the topics of Information Communication Technology, Internet Marketing and eCommerce/eBusiness for Tourism and Hospitality. His research interests centre on the evaluation of eCommerce systems, multi-channel distribution, mobile technologies, social media networks, eLearning in the tourism and hospitality industry as well as ICT and sustainable tourism development and ICT & cultural tourism.

Elizabeth M. Ineson
Manchester Metropolitan University, Hollings Faculty, Old Hall Lane, Manchester, M14 6HR, United Kingdom
Tel: +44(0)161 247 2741, Fax: +44 (0)161 247 6334, e-mail: e.ineson@mmu.ac.uk
Elizabeth Ineson’s role in Manchester Metropolitan University centres on mentoring staff and organising European link projects, including course, staff and management development and collaborative research. She organises and delivers research seminars in Central and Eastern Europe to promote education/industry links, for the charitable trust La fondation pour la formation hôtelière. Her research interests focus on methodology, management education, development and training, experiential learning, psychometrics, service encounters, slow food and cultural dimensions.

and

Miss Emma Green
The Arch London, 50 Great Cumberland Place, London, W1H 7FD
Tel: +44 (0) 780 9681869, Email: Emma.Green@thearchlondon.com
Upon completion of her university degree in Hospitality Management at Manchester Metropolitan University, Emma Green relocated to London to apply her academic knowledge into the luxury hotel industry. Whilst at university, Emma took a strong interest in social networking as an emerging opportunity for hotel marketing practitioners. She has experience in Sales for prestigious hotels throughout the United Kingdom, from representation to on-site based efforts. Since June 2010, Emma gained exposure to the UK Corporate, MICE, Tour Operator and Wholesaler sectors, working on behalf of The Goring to promote its accommodation and event facilities. She has since progressed to Sales Management in a luxury boutique hotel, The Arch London, where she continues to apply her knowledge within the UK, European and Middle Eastern markets. Emma remains interested in academic progressions and continues to work on various projects in order to enhance her profession.
INTRODUCTION

The popularity and strength of online social networks (OSNs) continue to revolutionise communication, information accessibility and the internet itself (Wood, 2009). The abundance of consumers wishing to expand their individual networks and deepen relationships (Chung and Buhalis, 2008) presents opportunities for businesses (Armstrong and Hagel, 1996). In particular, the potential of applying Relationship Marketing (RM) theory within the firms’ social networking efforts seems highly appropriate (Wang, Yu and Fesenmaier, 2002) in order to develop a personal relationship with the consumer (O’Mahony, 2009). This concept is applicable notably in service industries, which possess inherent characteristics suitable to the adoption of a consumer-firm relationship approach to marketing (Grönroos, 1994). OSNs are beginning to attract hotel marketing practitioners who recognise the potential of developing personal relationships with prospective, existing and previous customers (Cox 2009 cited in Stoessel, 2009). However, research into the business use of OSNs is in an embryonic state (Brown, Broderick and Lee, 2007). Whilst the hotel industry strives to utilise OSNs as a relationship marketing tool, a lack of informational resources could restrict its practical capability. This paper aims to identify and evaluate the role, existing and potential use of online social networking as a RM tool in the luxury four and five star hotel market.
BACKGROUND

From both academic and business practice perspectives, the focus on RM has “experienced explosive growth” (Palmatier et al., 2006) during the last decade. Defined as “all marketing activities directed toward establishing, developing and maintaining successful relationships” by Morgan and Hunt (1994, p. 22), RM has rapidly revolutionised the concept, field and practice of marketing as Sheth, Gardner and Garrett (1988) predicted. The concept of RM is extremely complex, originating from an array of significant theories that have provided a valid contribution to the development of its current status. Social exchange theory and social network theory (Scott, 1981; Cook and Emerson, 1984), both derived from sociology and social psychology, have contributed extensively to knowledge of marketing networks (Araujo and Easton, 1996; Eiriz and Wilson, 2006). Previous marketing literature has attempted to clarify some aspects of relationships, such as Heide’s (1994) four theoretical approaches and Mattsson’s (1997) differentiation between ‘RM studies’ and ‘network studies’. Gummesson (1994) points out that the marketing mix theory has also contributed to the development of RM. Christopher, Payne and Ballantyne (1991) and Kotler (1992) explored the theory outside of the customer-supplier boundary, however Grönroos (1990) stayed within this backdrop and generally defined the act of marketing with a RM influence: “to establish, maintain and enhance relationships with customers…at a profit, so that the objectives of the parties involved are met” (pp.138).

Despite the widespread implementation of the concept and its attractive validity, authors such as Kodish and Pettegrew (2008) believe that the RM process is excessively compound, which restricts its potential operationally. They suggest that the concept requires a broader framework to enhance its practical applicability and resolve its critical limitations. Nevertheless, further to its theoretical criticisms (by, for example, Berry, 1995; Coviello, Brodie and Munro, 1997; Petrof, 1997; Eiriz and Wilson, 2006), today’s marketplace is abundant with change and complexity (Kodish and Pettegrew, 2008) and marketers face general concern as to which concept is most appropriate to guide the future progress of marketing (Eiriz and Wilson, 2006). Kodish and Pettegrew (2008) report that message impact and trustworthiness have declined, therefore organisations should recognise that building mutual, long-term relationships with customers is a successful approach to business. Palmatier et al (2006) agree by proposing that RM is typically more effective when relationships are more critical to customers, such as for service versus product offerings.
In 1999, Gilbert, Powell-Perry and Widijoso argued that RM is an applicable tool within the hotel industry to counteract various buying behaviour patterns that discourage loyalty, for example; brand-switching is common and the customer is selective of the supplier (p.25). They continue to supply evidence indicating that RM can be effective within a hotel context because of the customers’ ongoing desire for service, and they advocate that subsequently RM can influence ‘word of mouth’; a hugely powerful communication method. The current inclination towards a relational approach to marketing is the consequence of many influential factors, such as strengthened competition, technological progress, advanced marketing tactics and a shift from mass to individual marketing (Küster and Vila, 2006). Such concentration on a relationship-orientated approach has led businesses to abandon transaction based approaches, and pursue an arguably more profitable focus on customer retention (Bowen and Shoemaker, 1998; Jayachandran et al., 2005; Küster and Vila, 2006; Kodish and Pettigrew, 2008). Kamdampully and Duddy (1999) note that attracting a new customer costs five times more than the cost of retaining existing customers; awareness of the lifetime value of the customer (Gilbert et al., 1999) is growing. Additionally, loyal customers show a decreased sensitivity to price and the firm experiences reduced marketing costs, which contributes to the cost effectiveness of customer loyalty (Bowen and Shoemaker, 1998; Küster and Vila, 2006), supported by Hong and Wang (2009) who also highlight the importance of customer retention. In the hotel industry, due to the accessibility to customer statistics via electronic databases, the identification of profitable customers, the possibility of building intimacy and creating and maintaining valuable relationships is evident (Gilbert et al., 1999; Gummesson, 1994; Luck and Lancaster, 2003) so understanding customers and predicting their behaviour is possible (Magnini, Honeycutt and Hodge, 2003). Chung and Buhalis (2008) point out that such prediction might also be made through the observation of consumer behaviour on social networks.

Kozinets (1999) suggested that marketers need to differentiate interaction types within social networks in order to establish strategies that account for the diverse needs and opportunities of the users and declare that using the four primary interaction modes (informational, relational, recreational, transformational), enables the marketer to establish which social networks have the highest potential for positive consumer response. A social network may be “the most effective way of RM, since it blurs the line between customers, allies and partners” (Wang et al., 2002, p.415). Social Networks, defined previously in many other forms (virtual community, virtual network, online tourism community etc.), have become incredibly significant in tourism, as consumers lean towards trusting other users and their recommendations as opposed to marketing messages (Jain, 2008). Hong
and Wang (2009) stress the importance of customisation efforts, which result in customer appreciation and commitment and a valued and trusted source (Black 2009 cited in Kirby, 2009c); there is an apparent opportunity to manage the customers’ experiences prior to and after purchase within OSNs (Cox, 2009). According to Kirby (2009c), a hotel’s presence on the network should be active, entailing two-way communications which are not necessarily focused purely on the hotel itself, but also on other adjoining topics, maintaining that providing consumers with appropriate information will eventually result in gaining their business. However, information satisfaction on behalf of the consumer can determine their behavioural intentions (Jeong, Oh and Gregoire, 2003) and accuracy and simple navigation (O’Connor and Murphy, 2004) may be difficult for a business to control on a social network, where the format is normally standardised and cannot readily be tailored to individual needs.

Social networks expand the connections between individuals in virtual space and provide user-generated recommendations, drawn from the experiences of other members (Chung and Buhalis, 2008). The term ‘virtual community’ (or social network) has proved difficult to define in previous years. According to Wang et al. (2002), the most frequently cited definition is Rheingold’s (1994, p. 57-58): “social aggregations that emerge from the Net when enough people carry on those public discussions long enough with sufficient human feelings, to form webs of personal relationships in cyberspace. A virtual community is a group of people who may or may not meet one another face to face, and who exchange words and ideas through the mediation of computer bulletin boards and networks”. Preece (2000) outlines the components that form an online community, for example, a shared purpose such as an interest or access to shared resources. Since the domestic arrival of the internet, tourism consumer behaviour has changed significantly, as more and more consumers lean towards independent booking and creating personalised trips as oppose to pre-arranged package vacations (Erdly and Kesterson-Townes, 2003).

Wang et al. (2002) assert that OSNs can be the most cost effective form of information dissemination and customer interaction and Chung and Buhalis (2008) claim that OSNs can play a crucial role in the information gathering and distribution process. They argue that an OSN can be utilised by organisations for market research purposes to observe consumer trends, needs and to collect valuable feedback so hotel marketers can benefit from increased consumer knowledge. Furthermore, they highlight the user’s perceived benefits of OSNs such as information acquisition, which demonstrates the applicability of the information-intense hospitality and tourism
Enabling users to distribute and share information content is a core function of an OSN (Wang et al., 2002). Yet from a business perspective, this crucial function poses as both an opportunity and a threat as it allows the user to spread opinion-based information to other users, potentially affecting a company’s image. The company itself has no control within this word-of-mouth process, which is of concern as many consumers rely on such information to reduce uncertainty and align expectations prior to making purchasing decisions (Buhalis and Law, 2008; Wood, 2009). TripAdvisor is one of the most successful tourism-based social networking websites, with user-generated recommendations and international hotel reviews attracting over 24 million users a month (GlobRes, 2009). The potential damage of negative word-of-mouth on such websites can be restricted if hoteliers analyse content and remain conscious of customers’ satisfaction levels (Buhalis and Law, 2008). Additionally, by responding publicly to comments, interacting with reviewers, demonstrating compassion and corrective actions, a positive company image can be restored and potential customers will regain confidence in the brand (GlobRes, 2009). From an alternative perspective, OSNs provide a great opportunity for positive word-of-mouth to circulate, with satisfied or loyal customers endorsing organisations via support groups or fan pages and referring other users (Cox, 2009). Wood (2009) notes that existing customers can become brand advocates by re-announcing marketing messages. Recommendations from other users are more trusted, reliable and credible than messages dictated by the company themselves (Brown et al., 2007; Kodish and Pettegrew, 2008). Indirect advantages have also been outlined such as increased search rankings on websites such as Google due to enhanced brand recognition (Wood, 2009).

The prominence of discussions on relationship-building and maintaining in Customer Relationship Management (Hong and Wang, 2009) applies significantly to the fundamental uses of social networks. Building reputation and strengthening relationships by participating on social networks (O’Mahony, 2009) is an integral new marketing model, which “needs to encompass how to influence, facilitate and leverage people” (Wood, 2009, p.18). By conversing through a social network designed to facilitate communications mainly between third-party individuals (Winsor Leisen, Leach and Liu, 2004), customers can develop a commonality with a firm resulting in a deeper sense of commitment. Social networks are enabling consumers to “obtain information, maintain connections and deepen relationships” (Wang et al, 2002, p.408) by removing geographical boundaries and widening individual networks. Boyer (2009, cited in Kirby, 2009c) notes that industry practitioners are taking a pro-active approach to building personal relationships by monitoring Twitter discussions using keyword searches and contributing to open questions, such as destination queries, even if it has no relevance to
or potential for a hotel booking (Kirby, 2009a). Other hotels such as Hyatt Hotels & Resorts utilise Twitter for service recovery purposes and to enhance the guests’ experiences. Four Seasons Hotels & Resorts provide an outstanding example: after they found a minor complaint about their hotel’s turndown music on Twitter, the guest returned to her room to find a complimentary bottle of wine and an apology from the General Manager (Kirby, 2009b). This case highlights the vast capabilities of RM on social networking websites and the advantages of engaging successfully with existing consumers.

Acting as a catalyst of a consumer-firm relationship (Hong and Wang, 2009), social networks are attracting intelligent hoteliers who envisage intangible business value as oppose to revenue enhancement. Wolf (2009 cited in Kirby, 2009c) stresses that firms should focus on receiving a return on engagement as opposed to a return on investment. The Rancho Bernardo Inn and Kimpton Hotels recognised increased website hits by 500% and 600% (year on year) purely from their Facebook and Twitter pages (Keyser-Squires, 2009). Hong and Wang (2009) emphasise that the consumer-firm synergy assisted by technology enriches relationship values; however they continue to argue that computer literate consumers are more likely to take a disposable view of relationships with firms and may switch more frequently than non-users. Conversely, Winsor et al. (2004) report that long-term customer retention is facilitated by information technology tools nevertheless Küster and Vila (2006) suggested that interactive consumer-firm communications help to maintain prolonged relations. Consumer-firm interactions rely heavily on technology (Hong and Wang, 2009), therefore social networking can be utilised as an innovative marketing platform on which to captivate and communicate directly with a larger audience of potential and existing customers (Cox, 2009). This modern-day marketing channel and its RM opportunities are in imminent need of further academic exploration (Buhalis and Law, 2008; Hong and Wang, 2009).

Tourism consumer behaviour has changed dramatically due to the arrival of the internet (Mills and Law, 2004). Increasingly knowledgeable with high expectations, the prospective traveller holds access to vast amounts of information from organisations, destination websites and most influentially from other users (Erdly and Kesterson-Townes, 2003). Effectively becoming the travel agent themselves, consumers search for travel or destination information, engage with one another to draw upon past experiences, make bookings and communicate with organisations directly to tailor their trips to their specific needs. Buhalis and Law (2008) propose that prompt identification of consumer needs and providing prospective customers with contemporary,
personalised, and detailed products/services in alignment with these needs is the key to success whilst Jayachandran et al. (2005) and Chung and Buhalis (2008) stress the importance of information access as a critical constituent that assists in fulfilling customers’ interactive needs. Vogt and Fesenmaier (1998) point out that consumers may search for, or obtain, information with no specific purpose in mind, but instead for hedonic, innovative, aesthetic and sign needs. In other words, these additional motivations consist of the pursuit of visual stimulation, enjoyment or to aid social interaction with others by sharing the information. In the context of the hotel industry, these further needs can be met interactively by the communal availability of photographs, electronic brochures, virtual tours or real-time feeds of the establishment, such as the hotel lobby. Consumers’ desires for communication, information and entertainment are fulfilled interactively within a social networking environment (Wang et al., 2002). Brown et al. (2007) noted that consumers want and expect to engage with marketing practitioners in a rich online dialogue; however, it is important to be aware that consumers trust word-of-mouth as more reliable source than institution-based knowledge. Therefore, online conversation should be open, honest and genuine. Several researchers highlight the fact that as the internet is used by a diversified population with varying cultures, beliefs and personalities, they have different needs (Armstrong and Hagel, 1997; Wang et al., 2002; Kim, Lee and Hiemstra, 2004). Armstrong and Hagel (1997) mention four member values of an OSN: transaction, interest, fantasy and relationship. Wang et al. (2002) revealed members’ psychological needs in an online community, including: identification, involvement, unity and relatedness. They also implied that success in the form of satisfaction and loyalty may only be established if multiple needs are addressed.

Initially, consumers used OSNs to gather information and interact online in order to meet both personal and shared goals (Dholakia, Bagozzi and Pearo, 2004). More recently different forms of OSNs have emerged, each with varying purposes, to attracting user populations with similar goals or motives (Dippelreiter et al., 2008). For example, Wikipedia is a user-generated encyclopaedia that allows users to contribute to, or to access, knowledge; it has functional goals that comprise a “symbiotic exchange” of valuable information (Bagozzi and Dholakia, 2002) and possesses strong OSN characteristics; in contrast, Facebook, which focuses on the hedonic aspects of facilitating interactions, connecting people, offers greater user flexibility and is used by members to interact with each other, create personal profiles, blog, share photo or video content and create groups (Dippelreiter et al., 2008). Such websites thrive on broad social interaction mainly amongst participants who are augmenting their existing social relations that stem from offline environments (Bagozzi and Dholakia, 2002).
Nonetheless, they also provide the opportunity to build or develop new networks between individuals based on interests, beliefs or professional issues (Wang et al., 2002). Prior to travelling, many consumers obtain as much information as possible in order to reduce the risk of being dissatisfied (Stenson in O’Mahony (2009). TripAdvisor caters for this need by providing unbiased travel-related information from fellow travellers (Dippelreiter et al., 2008; Jain, 2008). Users of online travel communities can also take advantage of published material such as travel magazines, specialised newsletters and detailed vendor information like airline schedules (Wang et al., 2002). Specialised, topic based social networks such as TripAdvisor assist users during the pre-trip phase of their vacation experience, theoretically verifying Chung and Buhalis’s (2008) theory that social networks attract consumers who “have a shared goal, interest, need or activity that provides the primary reason for belonging to the community” (p.271).

Recent advances in Information Communication Technologies have radically transformed the dynamics of consumer-firm relationships and interaction by allowing consumers to directly engage with suppliers, consequently disposing of unnecessary intermediaries. In the past, intermediaries have provided convenience, competitive rates and abundant features (O’Connor and Murphy, 2004). However, their ability to determine hotel rates by adding a margin restricts the firm’s control of their competitive position. O’Connor and Piccolli (2003) advised hoteliers to rethink their distribution approach and regain control of the selling process. O’Connor and Murphy (2004) were supportive, stating that hotels should endeavour to direct business to their own websites. Subsequently, a focus on consumer-firm interaction emerged, which social media is successfully initiating; Black (2009, cited in Kirby, 2009c) stresses the importance of personalised interaction in an online environment. Mass marketing is no longer considered feasible, with both potential and existing customers expecting a more individualised service. Some online tourism service providers such as Lastminute.com collect visitors’ behaviour history, for instance, they record visits to the website and previous searches in order to tailor weekly newsletters to suit the specific consumers’ interests by recommending relevant products and services (Buhalis and Law, 2008). Receiving appropriate marketing messages can induce a stronger sense of connection between a firm and the consumer, and result in feelings of trust and commitment (Hong and Wang, 2009). According to Weinstein (2009), consumers demonstrate a different set of expectations within online environments. Although Brown et al. (2007) advised that the main message for marketing practitioners is to recognise that they now share control of the brand with the consumers, Wood (2009) maintained that marketers could no longer expect to manage the whole ‘brand experience’ as word-of-mouth now predominates, leaving
the consumers in control. Nevertheless, social network search mechanisms do enable savvy hoteliers to monitor
their hotel’s reputation and contribute to user discussions. Consumers have been actively reaching out to firms,
expressing criticisms, compliments or making an enquiry and they expect a rapid response due to the
elimination of time boundaries inflicted by the internet (Wang et al, 2002). Hong and Wang (2009) state that by
responding to questions and paying attention to opinions in an online environment, marketers are contributing to
the consumer-firm relationship.

Notably, although Gummesson et al. (2004) proved the applicability of a relational approach to the industry
by underlining the value of personal data collection in contributing to sustained relationships with returning
customers, and the practical implications of executing a RM strategy in a hotel environment are highlighted
(O’Connor and Murphy; 2004), most authors agreed that the under utilisation of the concept in the hotel sector
was surprising. The internet’s RM opportunities have been discussed frequently, with a specific focus on
consumers’ needs and the provision of information tools such as websites (Chung and Buhalis, 2008; Hong and
Wang, 2009). Although literature specific to hotels, concerning online RM prospects, is emerging; it has tended
to mainly emphasise customer service functions, such as email feedback, and the importance of personalisation
and data-mining techniques (cf. O’Connor and Murphy, 2004). The synergy between information technology
and tourism is also established, illustrating the consumer’s capabilities of organising and booking vacations
independently and the declining use of intermediaries (Chung and Buhalis, 2008). However, research beyond
defining or examining the potential of OSNs is scarce (Brown et al., 2007; Wang et al., 2002). Mature research
into online ‘communities’ focuses predominantly on disputes of the term ‘community’ for an intangible virtual-
based group. In fact, although marketing practitioners have shown considerable interest (Kim et al., 2004), the
study of OSNs remains in an embryonic stage. While research exists that identifies clearly the benefits and
needs of community members, only a select few capitalise on the business or the RM opportunities it presents
(Gilbert et al., 1999). Discussion combining OSNs and the hotel industry is inept considering the potential the
market presents (Jayachandran et al., 2005). There is an overwhelming requirement for academic exploration
into how firms can exploit this new marketing tool, as well as specialised industry-based research concerning
the effectiveness and utilisation of OSNs for RM purposes in the hotel industry (Buhalis and Law, 2008). The
present paper contributes to the limited research into OSNs (Preece, 2000; Dholakia et al., 2004; Brown et al.,
2007) in the hotel sector, with a focus on the potential use of OSNs as a RM tool in recognition of an apparent
gap in current literature (O’Connor and Murphy, 2004; Buhalis and Law, 2008; Hong and Wang, 2009). Based
on the above literature review, the main themes, sub themes and a priori themes are summarised in Figure 1. The main themes fell into three broad areas: Sales and Marketing Strategy, OSNs and Consumers.

**Sales & Marketing Strategy**
- Relationship based: Main strategy
- Outcome of strategy: Customer retention
- Social networking strategy: Relationship based

**OSNs**
- Motivation to join: Gain new audiences, raise awareness
- Role in strategy:
- Value: Cost effective, gain customer loyalty
- Noticed effects: Improved familiarity
- Uses of OSN: To inform & disperse information, market research
- Miscellaneous:
  - Negative effects: Lack of control
  - TripAviser handling: Service recovery & improvement
- Future: Uses

**Consumers**
- Target market:
- Current clientele:
- Needs & expectations: Deals & instant information, communication & interactive content
- Communication technique: Personal

**OSNs as a Relationship Marketing Tool**

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**METHODS**

As the purpose of the present study was to identify and evaluate the role and usage of online social networking as a RM tool in the United Kingdom (UK) luxury four and five star hotel market, the UK Automobile Association (AA) hotel classification scheme, which is recognised for its integrity and realistic quality analysis of hotels through a simple one to five star rating system (Sharkey, 2009), was considered to offer a valid and reliable framework for the study. The potential research population comprised either four or five red star rated, referred to as ‘Inspectors’ Choice’ hotels (n=101; AA, 2009), chosen due to the advanced, competitive nature of the “luxury” hotel segment, whereby all strive to stay ahead of the market and rapidly adopt revolutionary approaches (Hospitality eBusiness Strategies Team, 2007). The sampling frame comprised a subgroup of these hotels in which social networking websites (i.e. Facebook or Twitter) were used (n=22).
The respondents’ profiles are provided in Table 1. The sample comprised 10 hotels from the sampling frame of 22: three from international chains, three members of a small collection, and four independently-owned; they were located across the UK. A non-probabilistic purposive sampling approach was used. According to Guest et al. (2006), purposive samples are the most commonly used form of non-probabilistic sampling and the size of sample typically relied on the concept of ‘theoretical saturation’ or the point at which no new information or themes are observed in the data. However, there are no published guidelines or tests of adequacy of estimating the sample size required to reach saturation (Morse’s, 1995). Randomly selected participants were contacted in turn by telephone to explain the purpose of the study and then by formal email correspondence to negotiate an interview slot. Although their roles varied considerably, they were all involved in the firm’s social networking efforts. It is pointed out that the interviewees held a wide range of positions, demonstrating the diverse responsibilities of social networking.

<table>
<thead>
<tr>
<th>Interviewee Code</th>
<th>Respondent Job Title</th>
<th>AA Star Rating</th>
<th>Group Classification</th>
<th>Location</th>
<th>Interview Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>S4MA</td>
<td>Marketing Assistant</td>
<td>Four Red Stars</td>
<td>Small Collection</td>
<td>Sussex</td>
<td>42 minutes</td>
</tr>
<tr>
<td>I5MM</td>
<td>Marketing Manager</td>
<td>Five Red Stars</td>
<td>Independently Owned</td>
<td>Cheshire</td>
<td>20 minutes</td>
</tr>
<tr>
<td>S5ME</td>
<td>Marketing Executive</td>
<td>Five Red Stars</td>
<td>Small Collection</td>
<td>Buckinghamshire</td>
<td>29 minutes</td>
</tr>
<tr>
<td>I4D</td>
<td>Director</td>
<td>Four Red Stars</td>
<td>Independently Owned</td>
<td>Kent</td>
<td>31 minutes</td>
</tr>
<tr>
<td>I4SD</td>
<td>Sales Director</td>
<td>Four Red Stars</td>
<td>Independently Owned</td>
<td>Northamptonshire</td>
<td>48 minutes</td>
</tr>
<tr>
<td>G5PRM</td>
<td>Public Relations Manager</td>
<td>Five Red Stars</td>
<td>International Group</td>
<td>Hampshire</td>
<td>18 minutes</td>
</tr>
<tr>
<td>G5MEM</td>
<td>Marketing &amp; E-Commerce Manager</td>
<td>Five Red Stars</td>
<td>International Group</td>
<td>London</td>
<td>22 minutes</td>
</tr>
<tr>
<td>I4EMC</td>
<td>E-Marketing Consultant</td>
<td>Four Red Stars</td>
<td>Independently Owned</td>
<td>Yorkshire</td>
<td>33 minutes</td>
</tr>
<tr>
<td>S4SMPC</td>
<td>Sales, Marketing &amp; PR Coordinator</td>
<td>Four Red Stars</td>
<td>Small Collection</td>
<td>Hampshire</td>
<td>33 minutes</td>
</tr>
<tr>
<td>G5OME</td>
<td>Online Marketing Executive</td>
<td>Five Red Stars</td>
<td>International Group</td>
<td>Scotland</td>
<td>37 minutes</td>
</tr>
</tbody>
</table>

Semi-structured interviews were employed as they are particularly appropriate for an unexplored research topic, especially when dealing with confidential company information such as marketing strategies (Gilbert et al, 1999). Also, they are an efficient and convenient data collection method, which is advantageous considering the hotels’ diverse locations and the time constraints. The semi-structured interview schedule combined open
and closed questions to allow for unanticipated responses to filter through and to elicit succinct answers as appropriate. Based on the literature review, interviewees were asked about their approach to marketing strategy, knowledge and uses of OSNs and their perceptions of customers’ online expectations. The interview was piloted with an industry professional with three consequent minor changes. Interviews were conducted in 2010 and a total of 10 hotel managers were participated. An interview guide was sent to each participant one week in advance of the interview, listing the impartial questions in order to maintain focussed interactions, whilst also allowing individual perspectives and experiences to be voiced as appropriate. It was of the utmost importance that the interview guide remained neutral and acted as a general briefing relating to structural technicalities, as opposed to topic specific information to ensure that the collected data could not be deemed as corrupt or biased.

Each interview took between 18–48 minutes; the cumulative time for all the interviews was 5 hours 13 minutes and the mean interview time was 31.3 minutes. Every effort was made to ensure the interviewee remained engaged and focused on returning honest conclusions, and the full duration of the call was audio-recorded to provide accurate data (Flick, 2002). Although prompts were offered on request during the interviews, the researcher attempted to retain the integrity of the information provided. At the outset of the call, the format of the interview was outlined and confidentiality was assured; hence the participant individuals, hotels and companies remain anonymous and, in the discussion of the findings, the individual’s codes (See Table 1), which include the hotel star ratings (4 or 5), are linked to their reported statements.

The data were analysed manually using constant comparative analysis (Benton, 1991; Morgan, 1993), involving coding data into emergent themes (Glaser and Strauss, 1967; Hewitt-Taylor; 2001). The transcript evidence was compared with a codebook to categorise and develop themes and the codebook became the core structure. Repeated coding was performed to review interpretations, in the light of new data gathered and as new codes were generated, until no new insights were being gleaned (Riley, 1990). The majority of the themes established were induced from the empirical data whilst the remainder were a priori and deduced from the literature review. The emergent themes fell into three broad areas: Sales and Marketing Strategy, OSNs and Consumers which constitute the main headings in the codebook.

RESULTS AND DISCUSSION

The results and discussion follow the three broad sub themes in Figure 1: (i) Sales and Marketing Strategy; (ii) OSNs; and (iii) Consumers, including demographic profiles and perceived expectations, all of which constitute
the main themes in the codebook. Within each main theme, a series of sub-themes is examined with respect to the corresponding a priori and emergent themes.

Tables 2 and 3 exemplify the way in which the interview data were processed in order to reach the results and, subsequently, draw the conclusions.

**Table 2. Example of Grid developed via Constant Comparative Analysis**

<table>
<thead>
<tr>
<th>Interviewee Code</th>
<th>Sales &amp; Marketing Strategy – Relationship Based</th>
<th>Outcome of Strategy</th>
<th>Social Networking Strategy</th>
<th>Additional S&amp;M info</th>
</tr>
</thead>
<tbody>
<tr>
<td>S4MA</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>S5ME</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>I5MM</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>I4D</td>
<td>√</td>
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</tr>
<tr>
<td>I4EMC</td>
<td>√</td>
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<tr>
<td>S4SMPC</td>
<td>√</td>
<td>√</td>
<td>√</td>
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<tr>
<td>G5OME</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
</tbody>
</table>

Key: √ = Theme present; SC = Small Collection; IG = Independent Group

**Table 3 Example of Categorised Data References**

<table>
<thead>
<tr>
<th>Interviewee Code</th>
<th>Sales &amp; Marketing Strategy – Relationship Based – Main Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>S4MA</td>
<td>We rely on our repeat business and building relationships with guests.</td>
</tr>
<tr>
<td>I5MM</td>
<td>RM is predominantly the main form of marketing in the whole of the hospitality industry at the moment. Our guests neither want nor need to be sold to in a traditional fashion.</td>
</tr>
<tr>
<td>I4D</td>
<td>We try to build relationships up.</td>
</tr>
<tr>
<td>I4EMC</td>
<td>I would agree with that completely (RM today’s main strategy), especially in a small business...we are moving more towards pure marketing instead of direct sales because of the internet.</td>
</tr>
<tr>
<td>G5MEM</td>
<td>The relationship we have with our guests is critical to our success.</td>
</tr>
<tr>
<td>I4EMC</td>
<td>CRM does indeed form the basis of our core marketing strategy. We feel it is vital to build and maintain a positive relationship with our customers.</td>
</tr>
<tr>
<td>S4SMPC</td>
<td>We do take this approach as we have a lot of repeat guests so we want to build relationships with them.</td>
</tr>
<tr>
<td>G5OME</td>
<td>I definitely think we do when you take into consideration the different CRM tools that we utilise – we measure loyalty and satisfaction.</td>
</tr>
</tbody>
</table>

**Sales and Marketing Strategy**

Eight interviewees adopted a RM approach as a main strategy, reflected in the statement: RM is predominantly the main form of marketing in the whole hospitality industry at the moment. Guests neither want nor need to be sold to in a traditional fashion (I5MM). Although this finding contrasts with Gilbert et al. (1999), it is supportive of more recent research by Küster and Vila (2006) and Palmatier et al. (2006) and signifies that an
important shift in marketing practice within the hospitality industry has taken place over the last decade, as marketers accept academic findings by such authors and realise the applicability of RM within a service industry context. This transition may have also been facilitated as a reaction to the technological advancements in today’s society and the ever changing consumers’ demands and attitudes, such as their resistance to ‘script-like’ marketing messages.

A positive attribute that the interviewees associated with the RM approach is the enhancement of customer retention: A good relationship with our guests leads to…guests returning to us for a repeat stay (G5MEM) (cf. Hong and Wang, 2009). More than half of the interviewees acknowledged the importance of the customers’ lifetime value in core business strategies rather than focusing on short-term profit maximisation (cf. Gilbert et al., 1999). In general, the research signifies that marketers recognise the intangible values associated with OSN for business purposes, taking a realistic approach to its influential capabilities. Increased brand confidence (G5PRM) and raised customer satisfaction (G5OME) were also noted by the interviewees as positive results from the RM approach within the OSN environment. To summarise, it is apparent that a relationship orientated strategy can be applied to a social networking environment (cf. Wang et al., 2002). I5MM stated: OSNs provide an ideal platform for a RM approach, it has to be carefully managed though but [could be] highly effective.

The lack of education and/or training in the use of social networking for business purposes could be having a consequential effect on the marketers’ approach to its management as some of them were not practising trusted offline theories. Five interviewees (S4MA, S5ME, I4D, I4SD, G5PRM) divulged experimental approaches to their social networking efforts. It’s a huge learning curve. We are learning as we go. (I4SD). Social networking is not part of any strategy but it purely ‘fits in when it does’ (cf. Bagozzi and Dholakia, 2002) and it’s something we are going to concentrate on more and more while other strategies we have previously focused on become less important (S4SMPC). Hence, although OSNs may be seen as organisational attributes, they were not identified by interviewees from independently owned hotels as serious constituents in their present marketing strategies. One could assume that more traditional methods of marketing may pose as a ‘safer’ option in a complex marketplace (Kodish & Pettergrew, 2008), or that independently owned hotels are reluctant to invest until the return on investment is thoroughly demonstrated. In contrast, all of the international group hotels had clear social media strategies and policies outlined by head office for global use. Their ability to make such a
permanent commitment to a currently invalidated new marketing stream may help them to pioneer the future direction of social networking for business purposes.

Among the trusted, traditional marketing methods on which independently owned hotels rely, email marketing was regarded highly by S5ME, I5MM, I4D and I4EMC. The success of email marketing in smaller, private organisations could be due to the effective leverage of a well established database, combined with the subsequent build up of a loyal clientele. Benefits outlined included: high response rates; efficient information dispersal; and customer relationship enhancements. It is evident that RM has had a considerable impact on current marketing strategies within the luxury hotel segment (cf. Palmatier et al, 2006). The majority of the respondents did recognise the applicability of RM to the social networking environment, but did not necessarily practise it at this present stage. It also emerged that some hotels had no strategy in relation to OSNs, possibly due to the rapid advancement and general lack of information.

**OSN: Definition and Participation Motivations**

Regarding the definition of an OSN, a typical response was: *A service allowing people to interact with each other or share interests and activities. I think it is more internet based rather than anything else (S5ME)* (cf. Preece, 2000). Most definitions focused on: *a collection of people brought together by a common interest or shared goal*, confirming knowledge of basic elements of OSNs. Amongst primary motivations for joining OSNs, competitive intensity, such as *keeping up in today’s market new trends, jumping on the bandwagon and not missing the boat*, was mentioned; it is deemed a uni-dimensional perspective when compared with more productive based motivations of *gaining larger audiences* and *raising awareness* (cf. Cox 2009, cited in Stoessel, 2009). With the exception of G5OME and S5ME, the potential for reaching out to new, wider market sectors had influenced decisions to join an OSN. Therefore, OSNs are playing an active role in hotels’ customer acquisition strategies (cf. Kirby, 2009c).

I5MM commented: *We can reach so many more individuals through social media than through any other form of marketing or advertising* and G5MEM stated: *We use these channels to engage current and potential guests with the brand as a whole*; the potential market expansion is a core determinant of participation in OSNs for luxury hotels (cf. Cox 2009, cited in Stoessel, 2009); however, it might be also detrimental by causing a lack of focus on current audiences and a saturated presence. It is mooted that the opportunity to capture an international audience and compete effectively against the larger, well-known brands can present itself through
social networking, with many smaller hotels experiencing unusual patterns in website analytics and country statistics as a result.

Raising awareness and gaining exposure were noted as motivations for networking participation (cf. O’Mahony, 2009). Six interviewees (S4MA, S5ME, I5MM, G5PRM, S4SMP, G5OME) had detected an improved visibility since involvement with OSNs, through increased search rankings and website hits (cf. Wood, 2009). I5MM pointed out: Facebook in particular consistently appears in our top 10 referral websites week on week. Others stated that customer endorsement actions such as “re-tweeting” have led to an outbreak of extra followers, exemplifying the snowball effect that OSNs can initiate (cf. Wood, 2009, who claims that loyal customers can become brand advocates).

**OSNs: Value and Techniques**

When asked what values came to mind when thinking about OSNs, most interviewees thought that it was too early to identify them whilst some interviewees recognised the potential value of OSNs. Some of the views were contradictory; I5MM anticipated that social networking will become invaluable to the hotel as part of our marketing strategy, whereas I4D had found no business use of OSNs as yet and therefore had a more sceptical forecast of their future. Nevertheless, the significance of OSNs was highlighted by respondents from two international hotel chains: We have online global promotions that we participate in and re-tweet which is certainly a bigger impact as all of our hotels promote this way on OSNs (G5OME). To our organisation, globally, OSNs are hugely valuable (G5PRM). It seems that OSNs may be more useful to international chains than smaller hotels who may find email marketing, more effective.

S5ME, I5MM and I4SD mentioned the cost efficiency of OSNs (cf. Wang et al., 2002) whilst I5MM, I4D, I4SD, G5PRM and G5OME, representing larger properties, discussed opportunities to gain customer loyalty. I4SD mentioned: It has helped us to gain a closer bond with our customers and enabled us to keep in touch with previous guests who may not have remembered us otherwise, supporting Küster and Vila (2006) but in conflict with Hong and Wang (2009) who argued that consumers may be opportunistic because technology has erased the necessity for testing products or services. This fact has certainly proved to be the case in some instances, where clients have manipulated reviews on websites such as TripAdvisor to achieve some form of reimbursement, upgrade or rate negotiation for their future stays. In these instances, a compromised agreement
between the hotel and the individual has to be reached to ensure the hotel will not be subject to a negative review, which potentially threatens to dictate the buying behaviour of future guests.

S4SMPC predicts that consumers will analyse content to make judgments before purchasing: *People can get an opinion of you... everyone now goes on Google to find something but now people will move towards what you’re saying about yourself and to other people on Twitter to make up their opinion.* This point is reflective of the statement that consumers now have the ability to experience hotels’ service levels prior to making their buying decisions, hence it becomes increasingly essential to ensure that the persons responsible for OSN management represent the brand truthfully and that the service provided is correctly aligned to the actual guest experience. From a positive perspective, this is a constituent of social media which the organisation, as opposed to the consumer, is able to control.

It was found that most hotels were engaged with uploading contents, creating discussion and responding comments via OSNs to enhance hotel guests’ personal experience and they were updating page or reviewing at least once a day via Facebook or Twitter. When probing current OSN usage, all the interviewees stipulated dispersal of information as crucial, from simple updates to exclusive offers and quirky ‘insider’ information. I4EMC, for example, gave *behind the scenes* information via a chef’s blog, which had an *astounding response*. Others posted unusual facts, updates on refurbishment projects, news from the surrounding area and snippets of information to entice consumers to the hotel’s website (cf. Chung and Buhalis, 2008). The majority of participants use social networking as a promotional tool, publicising offers with relevance to upcoming occasions such as Valentine’s Day (S5ME, I4D). G5PRM noted: *I send a direct message (on Twitter) saying: If you are staying this weekend the next person to Tweet me will get a free bottle of Champagne.* This may be an effective way of raising brand awareness by building anticipation and incentivising the follower’s attention. Nevertheless, it is important to keep content focused, occasional and appropriate instead of a bombardment, which could be very harmful, as noted by G5MEM (cf. Hong and Wang, 2009). It is possible that when an OSN is used as a direct selling method, as opposed to a two way-communication platform, the organisation risks alienating their targeted audience and losing followers. Instigating discussions on less sales-related topics can draw in an eager crowd of followers such as requesting new cocktail suggestions and inviting the winner to sample it. Such offers of personal involvement of followers might assist with building loyalty to the brand.
Although Chung and Buhalis (2008) state that OSNs can be utilised for market research purposes by observing consumer trends and collecting feedback, their findings suggest this utilisation is not widely implemented presently; only four respondents (I4SD, I4D, G5PRM, S4SMPC) declared current market research uses but there was an awareness of the potential for conducting market research in a social networking environment, with some future plans to adopt this practice. All but two (S5ME, I4D) of the respondents pointed to a main use of social networking - to build two-way conversations with potential and existing customers, so enhancing consumer-firm relationships. A typical comment was: *There are so many more opportunities for an open, two-way dialogue which we strive to participate in* (I4EMC) (cf. Kirby, 2009c; O’Mahony, 2009). Contributing to the firm’s RM efforts, opportunities to form personal connections with the customer were noted by the majority, as G5OME illustrates: *If someone says they are playing a round of golf on our course we pick it up as we search for the name of our golf course and then we reply “We hope you enjoyed your round of golf”. They are always very surprised.* It appears that most participants are focused on receiving a return on engagement as opposed to a return on investment (cf. Wolf 2009, cited in Kirby, 2009c). Nevertheless, four interviewees (S4MA, I4SD, I4D G5PRM) underlined their intentions of gaining increased or direct business from the networking efforts (cf. O’Connor and Murphy, 2004 who recommend hotels to direct business to their own websites). Participants achieved this connection by attaching a link on each status update, which can refer the viewer to a particular area on the hotel’s website, such as a refurbishment photograph. This linkage system was an integral factor that assisted with social networking; six (G5OME, G5PRM, S4MA, S5ME, S4SMPC, I4D) respondents had a social networking referral link on their main webpage, and also underneath the signature on emails sent from the hotel. Such a link can maintain a level of consistency, contribute to raising awareness of social networking participation and promote further brand interaction (Chung and Buhalis, 2008).

To manage the OSNs, two respondents also used external websites to *collect and analyse unsolicited feedback on the hotel from across the web* and others used tools available from individual networking sites, such as “TweetDeck” on Twitter, to flag all comments relating to the hotel so enabling better management of a busy channel, which may otherwise be difficult to monitor. It is assumed that additional assistance mechanisms will be invented to ensure organisations are maximising their exposure on social networks. Clearly, these tools would be a welcome breakthrough to a particularly unequipped marketing channel.
**OSNs: Difficulties and Service Recovery**

Interviewees were prompted to discuss negative factors they had encountered during social networking experiences. Half of the respondents (S4SMPC, I4EMC, G5PRM, G5MEM, G5OME), notably including the whole international subset, indicated that measuring productivity is difficult. Time management arose as a further issue for G5PRM, S4MA, G5OME and S4SMPC, reflected in the statement: *There is so much more I could do with it...it’s hugely time consuming* (G5PRM). Time constraints were perceived by respondents to be an impediment to their social networking contributions. G5PRM, G5OME, S4SMPC and I4D highlighted lack of control as a detrimental aspect of social networking, particularly with regard to reviews; there was a realisation that they now share control of the brand with the consumers (cf. Brown et al., 2007).

Further concerns were raised by the respondents who were concerned that OSNs are: *too informal, distractive and difficult to represent the brand realistically*. Concerning views on TripAdvisor, about which Buhalis and Law (2008) stated that the potential damage can be restricted by analysing content and remaining conscious of consumers’ satisfaction levels, I4SD stated: *Everyone gets a negative review now and again...it’s better to know about it than to ignore it*. Paying attention to opinions in an online environment can contribute to the consumer-firm relationship. Two service recovery techniques were outlined: six of the 10 interviewees responded privately to negative comments, whilst the other four choose to comment in the public domain (cf. Hong and Wang (2009) to restore a positive company image. One of the latter (S4PA) stated: *It’s not just a response to the individual; it’s a response to the viewing public at large*. Contrary to this view, other participants focused on helping the individual, and believed that engaging in a public argument is not ‘politically wise’ (I4SD). However, there was a common recognition among both parties that the opportunity for service improvement is rife, for example: *We have a monthly meeting where we put all comments on notice boards so everyone can take them on board* (S4SMPC). None of the three international group hotel representatives discussed service improvements as an outcome of negative reviews; they concentrated on correcting the issue with the individual, suggesting that brand reputation management maybe a key motivator for participating within the online social networking environment.

**OSNs: Prospective Outlook and Planned Improvements**

Regarding the future, enhancements to interactive content were referred to repeatedly to assist in satisfying the consumers’ needs (cf. Chung and Buhalis, 2008), reflected in the statement: *We want to focus on more media sharing, media content, photography and probably more of a focus on You Tube as well* (G5OME). Six of the
10 interviewees discussed expanding their presence by joining further social networking websites such as Flickr. Such moves may augment the organisation’s online visibility and assist in reaching a wider audience, but risk a loss of quality through being ‘spread too thinly’. Other emergent plans include: additional financial investment, customising information and establishing a reporting system. It is clear that some respondents’ organisations are anticipating large growth in this area and wish to sustain a competitive edge by evolving with new ideas (cf. Hong and Wang, 2009). Comments were made regarding the future of social networking. The majority confirmed the view that the strength of such channels will grow, and further advantages will be discovered. G5PRM forecasted that businesses would be judged on their social networking presence and their ability to facilitate and enhance consumer-firm relationships (cf. Hong and Wang, 2009). Future intentions included becoming more active, enhancing contributions, increasing opportunities for the consumer voice, higher response rates, introducing measurability tools and market sector expansion. Although respondents’ views varied on the ideal practices, everyone was prepared to acknowledge weaknesses in their firm’s approach; plans to further exploit this new marketing channel are imminent. Although the potential RM value of OSNs and their associated uses were identified, respondents were reluctant to commit to a specific strategy at this embryonic stage. Instead, an episode of experimentation has commenced as the industry strives to find a productive approach to initiate their desired impact.

Luxury hotel marketers utilise social networking websites from a RM perspective as a communication facilitator. They have realised the opportunity to build relationships with past, existing and potential customers (cf. Cox 2009, cited in Stoessel, 2009) through conversing on an informal platform. It appears that international group hotels have seen the value of social networking, possibly due to a strong brand impact and mature awareness among consumers, whilst independent and smaller-scale luxury hotels view established web-based activities as more valuable presently. Other perceived values of OSNs include raising brand awareness (Cox 2009, cited in Stoessel, 2009) within the international marketplace and reaching previously untapped marketing channels. The potential value of OSNs for hotels is recognised widely amongst marketing practitioners and future benefits are strongly anticipated; plans to further utilise OSNs should result in a stronger contribution to Online Relationship Marketing practice within hospitality organisations.

**Consumers: Demographics and Perceived Expectations**

Although 50% of the respondents identified their current market demographic as being the ‘older generation’, only one respondent claimed they could connect with their ‘older’ customers via an OSN; the remainder
expressed concern as to the technological capabilities of their existing clientele. Interestingly, the same four respondents had also commented previously that social networks only play a small role in their marketing strategy. Therefore, the marketers’ concerns regarding the computer literacy of their current demographics are detrimentally impacting their prioritisation and contributions to the online social networking environment. According to a recent study, Late Rooms, one of popular intermediary websites, discovered over 60% of their demographic was aged 50+ years, contradicting the common pre-conception that older audiences are unable to participate online. It became apparent during the interview process that 50% of the respondents were targeting younger consumers through social networking to appeal to (I5MM), entice (S5ME) or capture (I4SD) them (cf. Kirby, 2009c).

With reference to consumers’ needs and expectations, several interrelated aspects were identified: information access; interactive content; communication; and realistic hotel interpretation. Firstly, interviewees believed that consumers expect instantaneous access to information (cf. Wang et al., 2002). I4EMC observed: They (customers) should be able to access real-time availability information at any time of the day or night.... Customers expect information to be accurate, up-to-date and easy to find, supporting Jayachandran et al. (2005), Chung and Buhalis (2008) and O’Connor and Murphy (2004).

With regards to interactive content, the majority view was that visual stimulation is a consumer requirement (cf. Vogt and Fesenmaier, 1998). It seemed that a transformation from static to interactive content is taking place, driven by the consumers increasingly demanding expectations and facilitated by the organisations. One could argue that OSNs have revolutionised marketing practice, by fuelling an escalating demand for unique, creative and interactive content, nourished further by the competitive nature of the luxury hotel industry. This transient content takes various forms on the OSN platforms, such as daily images, video uploads, ‘Check-In’ clicks and involvement in trending topic discussions through use of a hash-tag. The additional sensory stimulation caused by interactive content could enhance the productivity of social networks by encapsulating the consumer during the decision making process.

Although from an academic perspective, Wang et al. (2002) drew interest to the psychological needs of the consumer within OSNs such as ‘unity’ or ‘involvement’, this was not addressed from a practical perspective during the interview process. However, it is suggested that the majority of hotel marketers wish to provoke involvement with their online audience to stimulate loyalty. Small gestures, such as posting open questions
relating to the weather or a public holiday, are common attempts to create two-way communication; more advanced strategies include involvement of the tourism online or virtual community in product decisions.

In line with Wang et al. (2002) and Brown et al. (2007), prompt communication from a knowledgeable representative of the company (I4D) was a recurring opinion of the interviewees when discussing consumers’ expectations. S4MA, S4SMPC, I5MM and I4SD agreed that consumers expect a realistic interpretation of the hotel experience to minimise the risk of being dissatisfied (cf. Stenson in O’Mahony, 2009). This finding reflects the consumer’s desire for a friendship with the organisation, based on honesty and a personal recommendation as opposed to the traditional static marketing messages from institutions which can be deemed as relatively less reliable (Brown et al., 2007). The importance of reflecting the hotel’s individual style within the OSN environment was a key concern for the marketers. They each valued the importance of reflecting individual style, such as contemporary/traditional (S4MA) and personality (I4SD) in order to attract their desired consumer.

The approach to customer communication via OSNs was described as informal, personal and responsive. Customers do not expect formality at all times and are friendly in their tone (I5MM) hence increasing the opportunity to form a personal relationship. A suggested example of a personal approach included birthday wishes (cf. Black 2009, cited in Kirby, 2009c). Most interviewees were purely reactive in their communication technique and only two exemplified proactivity, each describing the consumer’s response as positively shocked or surprised at their efforts. This shows that although proactive techniques may have a favourable outcome, they are currently not considered as a necessary element of networking from the perception of the consumer. It is clear that there is further potential to develop a more proactive approach to involvement within online social communities from an organisation’s perspective; small steps such as initiating conversations through common interests have already started to take hold. In particular, international group hotels have a prominent focus in this area, aided by their ability to invest in OSNs on a larger scale. A focus on proactivity is predicted to develop over the coming years as marketers realise the permanence and continued growth of OSN.

Figure 2 elaborates on the conceptual model in Figure 1, to include not only the themes from the literature but also the emergent themes following the interviews. This model in general and in particular the emergent themes represent this paper’s key contribution to knowledge.
CONCLUSIONS

Despite the versatile background of RM, a focus on the actual *theory* has taken hold, both within academic and practical environments (Küster and Vila, 2006). With a somewhat controversial academic history, RM has been applied within a broad variety of contexts and disputed heavily amongst pivotal marketing authors. Moreover, its positive traits were found to outweigh the negative as the notion of maintaining a long-term relationship with the consumer (Morgan and Hunt, 1994; Kodish and Pettegrew, 2008) has a breadth of validity to the real world of marketing. When reviewing the concept of RM, it was found that just one decade ago academics considered the underutilisation of the concept in the hotel industry as surprising due to its blatant applicability. However, it seems that the highly anticipated shift has taken place as the luxury hotel marketing practitioners who
participated in the present study have named RM as their prime strategy. Attributes of the concept, such as heightened customer retention, have also been realised and experienced, thus confirming its potential opportunity for the hotel industry. The marketing transformation from transactional to relational suggests that in today’s marketplace, recognising the lifetime value of the customer (cf. Gilbert et al., 1999) and adopting a relational approach is competitively wise contribute to the sustainability of the hotel’s future. With a relatively quiet academic history, studies into the concept of social networking and its business opportunities are still materialising. Feeding the rapid developments of the worldwide web, social networks facilitate the accessibility of vast informational content and ease connections between individuals (Wang et al., 2002; Chung and Buhalis, 2008) by erasing time and geographical constraints. There is an abundance of theoretical definitions of the term ‘virtual community’ (or social network), the most popular being Rheingold’s (1994) who discusses the emergence of personal relationships through the exchange of ideas in social gatherings on online networks. Other authors such as Preece (2000) focus on the notion of a shared goal or interest. Industry based definitions mimic the two above, indicating a fluency of interpretation. Clearly providing great opportunity for business organisations (Armstrong and Hagel, 1996), marketers in the luxury hotel industry are beginning to recognise its potential. However a general lack of research into the business utilisation of OSNs (Jayachandran et al., 2005) could be restricting the industry’s ability to exploit the channel sufficiently. Existing literature reveals that there is fairly limited research beyond defining or examining the potential of OSNs (Brown et al., 2007; Dholakia et al., 2004; Wang et al., 2002) and the study of OSNs is still in primitive stage. Despite considerable interest from marketing practitioners (Kim et al., 2004), academic investigation into use of OSNs as a RM tool within the context of hotel industry is limited. The present study acknowledges this research gap and contributes to the knowledge gap in full potential of OSNs as hotel business RM tool.

Marketing practitioners have identified the potential RM value of OSNs and pointed to their associated uses. However, they were reluctant to commit to one specific strategy at this embryonic stage. Instead, an episode of experimentation has commenced as the industry strives to find a productive approach to initiate their desired impact. Luxury hotel marketers claim to utilise social networking websites from a RM perspective as a communication facilitator. They have realised the opportunity to build relationships with past, existing and potential customers (Cox, 2009) through conversing on an informal platform. Social networks are exploited for service recovery and improvement purposes, as marketing practitioners restore the brand’s reputation and implement corrective actions in response to negative user comments. Market research uses (cf. Chung and
Buhalis, 2008) are acknowledged but currently these are not implemented widely; however growth plans are plentiful. The use of RM on social networks will evolve as results are encountered and confidence develops. Consequently, social networking is just a tiny component in the whole spectrum of an RM strategy, but nonetheless contributes to the enhancement of consumer-firm relationships (O’Mahony, 2009). Although social networking for business purposes is still in a progressive state, there is a general academic (Armstrong and Hagel, 1996; Kirby, 2009a) and practical awareness of the opportunities they present for both businesses and customers alike. It appears that international group hotels have experienced the positive value of social networking prematurely, possibly due to a strong brand impact and mature awareness among consumers, whilst independent and smaller-scale luxury hotels may view established web-based activities as more valuable than social networks at present. It could be argued that the value of OSNs for each hotel is affected by macro-environmental factors. Other perceived values of social networks include raising brand awareness (cf. Cox, 2009) and the attainment of previously untapped marketing channels. It is clear that the potential value of social networking is widely recognised amongst UK marketing practitioners and future benefits are strongly anticipated. Plans to further utilise social networks are imminent and should result in stronger contributions to the organisation’s RM strategy

Weinstein (2009) claimed that OSNs and other internet-related marketing channels should be handled differently to non web-based activities due to a significant change in consumer expectations. Vast amounts of information are now readily available and sought proactively by the consumer to satisfy their interactive needs (Jayachandran et al., 2005; Chung and Buhalis, 2008). UK luxury hotel marketers fully acknowledged this notion and are striving to provide it through interactive content such as video so contributing to fulfilling consumers’ needs for entertainment (Wang et al., 2002) and visual or sensory stimulation (Vogt and Fesenmaier, 1998). However, marketing practitioners expressed no concern for the psychological needs of the consumer in an OSN such as ‘involvement’ or ‘unity’ (cf. Wang et al., 2002), suggesting that these needs may be overlooked currently. Providing personalised content is deemed necessary to feed the consumers’ expectations for an individualised service (Buhalis and Law, 2008), echoing the shift from mass to customised marketing. Luxury hotels are acting upon this through OSNs, and creating personal relationships by establishing two-way communications with customers. Brown et al. (2007) stated that consumers want and expect to connect with marketing practitioners in a rich, online dialogue. It was found both academically and practically that discussions are usually initiated by the consumer (Wang et al., 2002); however, the consumers’ expectations are
being fulfilled through the responsiveness of the organisation. It is therefore clear that UK luxury hotel marketers actively endeavour to identify their consumers’ needs and fulfil them appropriately. Based on the findings of the present study, ways in which current usage of OSNs for hotel RM purposes might be improved include: utilising external websites to monitor social media content effectively thus adopting a brand reputation management tool; exploiting social networks for information retrieval purposes and conducting market research (cf. Chung and Buhalis, 2008) to become more familiar with the attracted audience; setting up support groups and fan pages to enhance customer endorsements and to gain a wider circulation (cf. Cox, 2009); adopting a more pro-active approach to communicating with past, potential and existing consumers by monitoring hotel-related discussion and contributing to open questions to stimulate relationships (cf. Kirby, 2009a); becoming familiar with the psychological needs of social network users in order to possess a more comprehensive understanding of the consumer and meet their needs more effectively by addressing multiple needs (cf. Wang et al., 2002); providing additional sensory stimulation using interactive content to cover all aspects of the users’ hedonic, innovation, aesthetic and sign needs (Vogt and Fesenmaier, 1998); acknowledging the market diversity in OSN and customise content appropriately to the specific member values of the particular social network, for example, Twitter in comparison to Facebook has different user demographics (Dippelreiter et al., 2008); and further exploiting social media websites such as YouTube to heighten brand awareness.

Hotel marketers should endeavour to direct business to their own website to regain control of the selling process (O’Connor and Murphy, 2004) by: only introducing appropriate marketing messages to the social network users to induce a stronger sense of connection between the consumer and the firm (Hong and Wang, 2009); transferring additional relationship-based strategies onto OSN to give a consistent marketing approach; service assistance and improvement through social networking communication during the guest’s stay (cf. Kirby, 2009b) as well as prior to and after service experience; giving increased attention to implementing corrective actions after discovering negative user reviews; differentiating themselves from competitors by broadcasting creative informational content and offers to gain the audiences’ attention; and contributing to the consumer-firm relationship through involvement in discussions which are not necessarily focused on the hotel itself (cf. Kirby, 2009a). Furthermore, marketing practitioners in hotels should consider the role of multiple social networking and the synergies it can offer. For example, hotel company can engage in multiple channels such as email marketing, Google advertising, interaction with consumers on Facebook/Twitter and social networking via a mobile device. Hotel companies could offer an internet channel as part of a multi-channel
distribution strategy and provide consistent service throughout their various channels (Hahn and Kim; 2009). Apparently, there is a positive synergistic effect between search and purchase in two different channels (Verhoef et al. 2007) in retail context; it appears meaningful to examine whether OSNs contribute to cross channel synergy within the context of hotel business. In addition, the current sample comprises only luxury hotels which may attract a specific market segment such as high income business travellers, whose bills are paid/reimbursed by the company. However, it is important to determine how the results of the present study could be extended to other market segments such as self-financing consumers, or non-luxury hotels which attract mostly leisure travellers. Hotel practitioners may need to develop segment-based OSN strategies for the enhancement of customer relationship management (Kashyap & Bojanic, 2000).

The present study has supplemented the limited research into OSN (Preece, 2000; Dholakia et al., 2004; Brown et al., 2007). More specifically, it recognises the potential hotel business and RM uses offered by such networks (cf. Brown et al., 2007; O’Connor and Murphy, 2004; Buhalis and Law, 2008; Hong and Wang, 2009) and it offers marketing practitioners some structured guidance regarding the potential role and effectiveness of OSN in the hotel sector. Do luxury hotel customers want to be targeted as groups? No - they want individual marketing! This point needs to be at the forefront of all OSN RM activities.

**Limitations**

As with many such qualitative studies, it may be argued that there are limitations associated with the sample size and the representativeness of the sample, which was purposive with limited participation. The counterargument is that there are no published guidelines for estimating the sample size required to reach ‘theoretical saturation’ (Morse’s, 1995) and as no new themes emerged after 10 interviews, it is argued that these qualitative findings are rich and informative. Regarding the credibility of the findings, this study does not claim to represent the views of all luxury hotel marketers throughout the UK; results from larger national and international studies might be different, wholly or in part. It is acknowledged that the views expressed were possibly influenced by, for example, the interviewees’ job positions and their roles in maintaining a strong brand image. The views were also subject to the researcher’s interpretation; pessimistic or unconventional views may have been suppressed. However, many of the findings are consistent with the literature, thus adding weight. In addition, it is possible that face-to-face interviews would have elicited deeper, sincere responses, through the emotional connection with each participant, as opposed to a technology-mediated conversation.
Future research

There has been little previous research into the concept of OSN for business purposes (Brown et al., 2007); the present study provides a basis for further exploration. Examination of the utilisation and potential value of the concept of OSNs in the service industry should continue within varied contexts to establish a well-rounded academic background in the topic area, within and beyond the hotel sector. The present study focused on the role, existing and potential use of OSNs as a RM tool; however, questions in relation to the extent that hotels are integrating OSNs into their marketing strategy and about their experience of using OSNs should be included in further research. Additionally, expansion on the themes that emerged from the present study is a further option, such as the usage of OSNs as a brand reputation management tool. Future research should also incorporate consumers’ views on brand communications in an OSN. As the present study proposed a difference between the utilisation perspectives of international group hotels and independent or smaller scale hotels, additional research could focus purely on one hotel classification to add depth to the topic area. Clearly, online social networking in a practical sense is evolving rapidly so continuous research is advised to counteract obsolescence. As the present study utilised qualitative interview data, it aimed to provide a detailed description of the role and uses of OSNs as a RM tool. As such, it is exploratory in nature and so its findings provide an informative framework for further quantitative research, which is recommended in order to validate and extend its findings.

REFERENCES


