HELSINKI METROPOLIA
UNIVERSITY OF APPLIED SCIENCES

Bachelor's Thesis

The Effects of Social Media in the Hotel Sector: A report for WinHotels

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work, I confirm that the intellectual content is the result of my own efforts and no other person."

Signed...

John Sullivan

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I would like to offer my thanks to all those who have assisted me in the completion of this report.

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List of Figures and Tables

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Executive Summary

Social media usage is expanding in all age groups and across all socio economic groups. This means it has become the focus of much attention from businesses looking to use it as a way to increase awareness of their products or services. The purpose of this report is to look at how social media is affecting the hotel business and whether WinHotels should be using social media as a marketing tool.

It offers the opportunity to engage with hotel guests before during and after a stay. This engagement provides the hotel with a chance to gain insights into the needs and wants of guests at each stage. Using this information to highlight where improvements could be made to offer better service and showcase the hotel's willingness to listen and respond to guests.

The advantages of using social media are clear: it has the potential to reach large audiences and could generate large amounts of traffic to the WinHotels website. The downsides of a mishandled campaign are the speed and ease with which damage to a brand can happen.

This report looks at how social media could benefit WinHotels and where it could fit into its marketing activities. It will also suggest steps that should be taken in order to set expectations and provide recommendations on how to model a campaign incorporating the use of social media.

Explanation of Terms

Check-in – refers to using a social media platform to announce your current location

Followers – subscribers on a Twitter account

Fans – Followers on Facebook of a product, group, service

Geo-location service – allows users to announce their location via social media using a mobile device

Likes – Facebook members use this to show support for comments, services, and products

Micro-blogging – short form online messaging. Usually used to refer to Twitter

OTA – Online Travel Agent

Organic search results – results displayed from an internet search using a search engine that are not paid for

Status Update – text updates on social media sites

Screenshot – a picture of what was displayed on the computer screen at that moment

Search Engine Optimisation (SEO) – optimising a webpage to move higher in organic search results

Social Media- "a group of internet based applications that build on the ideological and technological foundations of Web 2.0, and that allow the generation and exchange of user generated content"[1]

Tweets - Form of messages posted to twitter, limited to 140 characters.

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[1] "Kaplan, A. M., and M. Haenlein. Users of the World, Unite! The Challenges and Opportunities of Social Media." *Business Horizons* 53, no. 1 (January/February, 2009): 59-68. doi:10.1016/j.bushor.2009.09.003.

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Part One

1.1 Introduction

The internet has become increasingly integrated into our daily lives. The proliferation of mobile internet devices means that people are rarely far from a communication device with which they can source or share information. Social media sites allow the aggregation of information on almost any topic. With respect to consumer behaviour such aggregation can have significant consequences for producers, retailers and service providers.

Especially tailored sites that gather customer reviews of particular industries or products are becoming more significant: "information in the form of user-generated reviews has become increasingly important when it comes to helping users make the sort of buying decisions that recommender systems (e.g. TripAdvisor) hope to influence"[2]. This report will look at how this User Generated Content (UGC) on social media sites is used by businesses and more specifically, how it can contribute to the marketing and communication goals of WinHotels.

This report will focus on the hotel sector of the hospitality industry, in particular focusing on the perspective of WinHotels which offers accommodation across a number of locations in Amsterdam to travellers visiting the city. Central to the investigation is how social media is affecting the hotel sector and how users are using social media to influence their choices when booking a hotel. This report also looks at how WinHotels can use social media to increase visibility in a very competitive Amsterdam hotel marketplace. The ultimate objective is to develop a social media marketing strategy for WinHotels.

The report begins by looking at the current state of the hotel sector in the Netherlands and Amsterdam in particular to give an understanding of the market in which WinHotels is competing. In order to provide a more comprehensive understanding of a broad and complex area the report will then give an overview of social media before looking at how it specifically affects the hotel sector by referencing real world examples.

How consumers are using social media to plan their travels will be explored and will be analysed with reference to marketing theory, in order to illustrate the value of social media in relationship marketing as a customer relations management (CRM) tool.

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[2] O'Mahony, M.P., and B. Smyth. "A Classification-based Review Recommender."Knowledge-Based Systems 23.4 (2010): 323-29. Print.

In the conclusion it is explained how WinHotels can include social media in many aspects of their guests' experiences from pre-booking to post checkout, building a network of useful user-generated content. Thereafter a framework is constructed explaining how WinHotels could incorporate social media into its marketing and communications strategy.

1.1.1 Company Profile

WinHotels is a hotel chain based in Amsterdam which opened its first hotel in 1997. Since then the chain has expanded to a total of eleven two and three star hotels mostly located in the centre of Amsterdam.

- *Hotel CC*
- *Hotel Notting Hill*
- *Hotel City Garden*
- *Hotel Falcon Plaza*
- *All Seasons Amsterdam City*
- *Hotel de Looier*
- *Hotel de Paris*
- *Hotel Linda*
- *Hotel Continental*
- *Hotel Travel*
- *Hotel Flipper*

Figure 1 - WinHotels Logo

The hotels are focused on offering well-appointed rooms at a reasonable price.

Throughout the year prices and occupancy rates will fluctuate according to the season. Customer breakdown will also vary with particular holidays or conference events happening in the city, Queen's day being a big draw for tourists and the IBC congress in September seeing a surge in business visitors to Amsterdam with 48,000 attendees.[3]

In total Win-Hotels have 503 available rooms spread across the eleven hotels. Occupancy rates over a year average around 90%. This means from a potential 183595 overnight bookings with WinHotels, approximately 165235 are used per annum. The remaining 18360 – 10 per cent of total capacity – go unused.

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[3] "International Broadcasters Conference." IBC2011. Accessed July 11, 2011. http://www.ibc.org/.

Room bookings throughout the year vary in cost from the most expensive at €350 during the IBC congress to €59 during low season for a single room. The average daily rate (ADR) over the year is €120 per room per night. With 18360 unused potential bookings over a year this represents an unused occupancy value of €2.2m. Any possibility to improve on this unused occupancy rate should be explored.

1.2 Research Objectives

The general objective of this report is to investigate the role that social media is playing in the hotel sector. More specifically to provide insights to WinHotels on if they should and or how they can use social media as a marketing tool.

1.3 Research Questions

This report will focus on how the usage of social media is affecting the hotel sector with specific reference to Amsterdam and whether WinHotels should use it as a marketing tool.

Internet users use social media as a way of sourcing information, sharing their experiences and for building relationships around common interests. Around these common interests online "communities" begin to grow and become aggregators of information on these shared interests. It is this aggregated information on review sites such as TripAdvisor that becomes the source of information. As a result of this many in the hospitality industry regard it as a means of increasing brand awareness, thereby enhancing customer relations and creating customer loyalty[4].

Many within the hospitality industry and the hotel sector specifically are yet to engage with customers via these platforms. This suggests that there could be a lack of understanding regarding the potential benefits versus the challenges and costs associated with engagement[5]. There are many reports suggesting that the percentage of travellers using social media as a source influencing their travel decisions, such as which destination or what hotel best suits their needs while there is increasing[6][7].

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[4] Kasavan, M. L., Phd. "The Convergence of Self-service Technology." December 03, 2008. Accessed July 16, 2012. http://www.hospitalityupgrade.com/_magazine/magazine_Detail-ID-278.asp.

[5] McKenzie, Josiah. "Hoteliers Finally Get It â€" Using Social Media and Understanding the Guest Experience Works." Hoteliers Finally Get It. June 14, 2012. Accessed July 16, 2012. http://www.tnooz.com/2012/06/14/news/hoteliers-finally-get-it-using-social-media-and-understanding-the-guest-experience-works/.

[6] McCarthy, L., D. Stock, and R. Verma, Phd. "How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions." How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions. December 2010. Accessed July 05, 2012. The Center for Hospitality Research.

[7] *World Travel Market 2010: Industry Report.* Report. 2010. Accessed July 5, 2011. http://www.wtmlondon.com/files/wtm2010_industry_report.pdf.

This report will look at the effect social media is having on the hotel sector, and ultimately whether to recommend that WinHotels use social media as an integral part of its marketing strategy. If positive, then further recommendations suggesting how to achieve this will be provided.

In order to do this the report will try to answer the following questions:

- **In what way are social media sites affecting the hotel sector?**
- **What kinds of social media are having the most affect and what are the challenges and opportunities in using them?**
- **How should WinHotels approach social media as a marketing tool?**
- **How can WinHotels measure the success of any marketing campaign using social media?**

1.4 Methodology

This report will be written with information drawn from secondary sources. The advantage of this approach is the wealth of information and research already conducted in this area. There are a large number of bodies with vested interests in gaining a deeper understanding of all aspects affecting the hospitality industry. Therefore there have been many large scale surveys and reports commissioned by these bodies, with the information released to the public domain.

Stewart and Kamins[8] suggest that data is usually collected and interpreted with a final outcome in mind. Evaluating the information from individual sources against other relevant sources is of importance. The information must be evaluated on its merits while also considering by whom the information was presented and what was the purpose for the study.

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[8] Stewart, D W., and M A. Kamins. *Secondary Research: Information Sources and Methods*. Newbury Park: Sage Publications, 1993.

Part Two

2.1 Literature Review - Introduction

In his 2009 book, Larry Weber suggests that using social media is to adopt a new way of communicating. It is about organising, encouraging and participating in social networks. He recommends that companies become aggregators of communities in which customers – whether actual or potential – are active and then work towards becoming a valued member of these communities[9]. The aim is to have the members of these communities look to the brand as a trusted partner. Social media marketing involves using these online communities to market products and services to the members of the communities and through them to others in their networks by converting the members into brand ambassadors and advocates.

The goals of social media marketing should spring from the following themes:

- **Building meaningful relationships**
- **Public relations and brand awareness**
- **Building customer loyalty**
- **Establishing trust**
- **Reputation management**
- **Increased search visibility**

The Deloitte Hospitality 2015 report states that social media will play an increasing role in the decision and selection processes of travellers in coming years, particularly in the budget to mid-range hotel market. "The social media frenzy has taken the world by storm the last few years. By 2015 this will become truly integrated in the travel and hospitality decision-making process, representing both threats and opportunities for the industry" [10]. It also suggests that Customer Relations Management will be a key factor in the retention of existing customers with social networks acting as a communications gateway with guests.

Formerly businesses marketed their products by, for example, selecting a newspaper best suiting their target audience. However the newspaper's target audience was not necessarily congruent with that of the business marketing its product through advertising. Therefore some of the resources spent on marketing were wasted. Social media sites allow marketers to target their audiences more specifically. This means that the average cost per reached potential customer is lower.

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[9] Weber, L. Marketing to the Social Web: How Digital Customer Communities Build Your Business. Hoboken, NJ: John Wiley & Sons, 2009. Print.
[10] "Deloitte: Hospitality 2015." Deloitte. 2010. Accessed July 15, 2012. http://www.deloitte.com/assets/Dcom-Kenya/Local%20Assets/Documents/Deloitte%20Reports%20-%20Hospitality%202015.pdf.

2.2 Market Analysis

The Netherlands and Amsterdam in particular, remain important tourist destinations, attracting significant numbers of tourists from across the globe. From January to September 2011 the number of inbound travellers staying in hotels throughout the Netherlands was 6,990,000 according to the Netherlands Tourism and Convention Board[11]. This was an increase of 4% on 2010 and an impressive 20% on 2009. European tourists are consistently the most numerous, followed by North Americans.

Figure 2 compares the number of travellers arriving to Amsterdam in 2005 and 2009 with a breakdown by country. Noteworthy is the 50% increase in domestic travellers to Amsterdam.
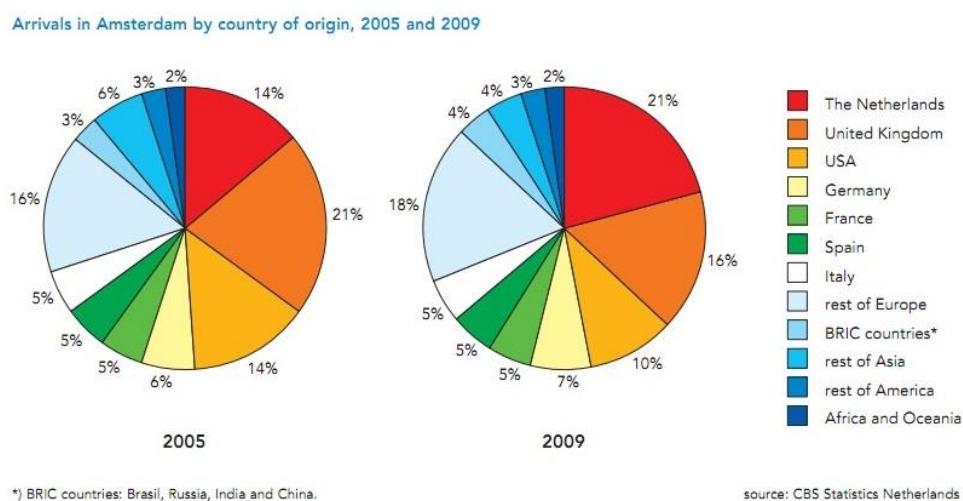
Figure 2 - Origins of travellers arriving in Amsterdam between 2005 & 2009

The leading sources of inbound tourists are the USA, Germany and the United Kingdom. The percentage of visitors from those countries fell off slightly over the period covered. This is not such a surprising result as this was a particularly uncertain period economically across the globe with 2009 being a poor year for visitor numbers from those countries. As mentioned above visitor numbers rebounded strongly over the following 2 years. These visitors to Amsterdam account for just over 80% of all guests nights booked[12].

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[11] Inbound Tourism in Hotels January to September 2011. Publication. 2011. Accessed March 11, 2012. http://www.nbtc.nl/web/file?uuid=95a32442-ce37-4c0a-9a95-93ca7f2be5b4&owner=388ad020-d235-4624-86a4-d899f855a216&contentid=18322.

[12] "Key Figures 2011: Leisure and Tourism Economy." Netherlands Board of Tourism & Conventions. Accessed March 11, 2012. http://www.nbtc.nl/en/Homepage/Research-and-statistics/Inbound-tourism.htm.

The World Travel & Tourism Council is a body made up of the CEOs of 100 of the world's leading

Figure 3 - Amsterdam visitor predictions from The World Travel & Tourism Council

travel related brands including Marriot Hotels, Hertz car rental and Expedia. Each year they produce reports on the health of the Tourism industry nation by nation. They expect that despite an uncertain financial climate, tourism in the Netherlands is to increase in the medium to long term.

Its Economic Impact Report 2012[13] on the Netherlands sees international visitors, regardless of accommodation type as falling slightly in 2012 with a solid rebound in numbers over the following years. Figure 3 illustrates the past and predicted visitor

numbers to the Netherlands as well as expenditure in billions. The visitors are both business and leisure travellers.

2.3 Social Media: An Overview

Since the end of the 1990's the internet has completely transformed how commerce is conducted. The term e-commerce was coined to cover this new variant on the retailer/consumer dynamic. Originally not much differed from the original I search, I see, I like, I buy concept of high street shopping. The internet has changed a lot since then. The new term "Web 2.0" emerged to reflect the change in the way information is produced and the way in which people search and consume this information.

The internet began as a simple reflection of long established media. Retailers produced information about products, consumers browsed and bought. This one-to-many approach to producing information regarding goods and services is all but dead in the new Web 2.0 world. The way information regarding goods and services reaches the consumer has been transformed by the internet. Originally it was a controlled one direction communication. The reality is that now information can come from many sources not connected to or controlled by the manufacturer or provider. Social media now provide the opportunity to turn the original one way communication into a real time conversation with the consumer.

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[13] Travel & Tourism Economic Impact 2012 The Netherlands. Report. 2012. Accessed March 11, 2012. http://www.wttc.org/site_media/uploads/downloads/netherlands2012.pdf.

According to Antony Mayfield, Vice President of global digital marketing company iCrossing, social media are defined by the following characteristics: openness, participation, conversation, community and connectedness[14]. Kaplan and Haenlein go one step further to define social media as "a group of internet based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content"[15].

Essentially it is a set of platforms where users are free to connect and create their own content to be viewed by all interested parties.

Mayfield goes on to separate social media into seven categories of social networking / social media sites as:

- Social Networks
- Blogs
- Wikis
- Podcasts
- Forums
- Content communities
- Micro-blogging

To say that this is a definitive list would be to underestimate the speed of innovation in this field. It is important to note that this is a list of social media *and* social networking sites. The two are often confused with one another as the terms tend to be used indiscriminately when the overlap between the two can be quite blurred. There is however, a distinction to be made between the two.

A social media site is a place where users gather to create, disperse and consume media, be it written articles such as blogs, video such as on YouTube or pictures on sites like Flickr. On most of these sites there is a social networking element, usually through the ability to comment and respond to the published content, the core focus of these sites is the dissemination of various media forms. It is this core focus that separates the two forms.

Social networking sites are built around connecting friends and family, people of like mind or interests regardless of physical location. The core focus is on the engagement in social discourse and

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[14] Mayfield, A. "What Is Social Media?" August 8, 2008. Accessed July 11, 2011.
http://www.icrossing.co.uk/fileadmin/uploads/eBooks/What_is_Social_Media_iCrossing_ebook.pdf.
[15] Kaplan, A. M., and M. Haenlein. "Users of the World, Unite! The Challenges and Opportunities of Social Media." *Business Horizons* 53, no. 1 (January/February, 2009): 59-68. Page 61.
doi:10.1016/j.bushor.2009.09.003.

the building of a network or community with which you wish to interact. LinkedIn and Facebook would be examples of social networking sites.

An interesting knock on effect of the popularity of social media sites is the way they impact on search engines such as Google or Bing. These search engines use complicated and highly secretive algorithms to decide in which order to place results. Trying to increase the ranking of a webpage on search engine results has become so important that an entire industry has grown up around it.

SEO or Search Engine Optimisation is where much of the current internet marketing budgets of companies is being spent. The exact metrics used by search engines to determine where to place a page in the results of a search is a much guarded secret. This secrecy means that much of SEO is a game of educated guessing but the effects of social media are clearly recognised and easy to see.

The algorithms place a lot of weight behind the popularity of a website when deciding on its relevance to a search. A search for Coca Cola returns with their Facebook page at 3rd in the results and Twitter in 4th. Searching the word Heineken returns the same as well as Heineken's YouTube page in 6th. Search engines see these companies' social media pages as being of more relevance to a generic search than articles in high profile online news sources. The popularity of these social media pages is also linked back to the company home page helping to raise that site's profile in search results.

A high profile on social media helps to raise the profile of the main webpage. The more popular the social media site is the more relevance a search engine will place on it and in turn onto the company site.

2.4 How Social Media Affects the Hotel Industry

Today consumers produce as much if not more information on products as retailers and manufacturers. Millions of articles are created each year for the tourism industry alone, reviewing everything from hotels to the best seat on a particular plane model of a particular airline[16]. If you want to know what the breakfast was like in a hotel anywhere in the world most likely someone has reviewed it somewhere and with a search engine that review is more accessible than ever. Equally, it is easier than ever for consumers to place their reviews online. TripAdvisor alone receives over 72,000 new reviews each day[17].

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[16] "Social Media in Travel 2011: Traffic, Activity and Sentiment." TRAVDEX - The Travel Technology Trade Show Produced by PhoCusWright. July 2011. Accessed July 11, 2011. http://www.travdex.com/store/1669.
[17] "Fact Sheet - TripAdvisor." Fact Sheet - TripAdvisor. July 2012. Accessed September 21, 2012. http://www.tripadvisor.com/PressCenter-c4-Fact_Sheet.html.

Between 2008 and 2010 PhocusWright were able to analyse 2.9 million hotel reviews generated by consumers for the US alone to produce their Social Media in Travel 2011: Traffic, Activity and Sentiment report[18]. This information is then scoured by consumers and can have a stronger influence on bookings than material produced by the hotels themselves.

In April 2012 Nielsen released the results of its Global Trust in Advertising Survey. The survey of 28,000 people from 56 different countries showed that online consumer reviews were the second most trusted form of advertising after direct word of mouth from friends or family[19].

A 2010 survey by Sheraton hotels of 4,204 respondents from the US, UK and China found that 64% of people source information from social media before booking. In the age group 24-35 that percentage is even higher[20]. Most interestingly according to a survey for the World Travel Market in 2010 found that 58% of travellers had changed a component of their holiday after consulting a social media site, with 36% of respondents listing the changed component as being hotel choice[21]. The World Travel Market is the world's largest travel industry event with almost 50,000 travel professionals participating each year.

The following sections take a look at the social media sites which are the most influential in the hotel sector, together with some examples of how they are being used.

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[18] "Social Media in Travel 2011: Traffic, Activity and Sentiment." TRAVDEX - The Travel Technology Trade Show Produced by PhoCusWright. July 2011. Accessed July 11, 2011. http://www.travdex.com/store/1669.
[19] "Nielsen: Global Consumers' Trust in 'Earned' Advertising Grows in Importance." Nielsen: Global Consumers' Trust in 'Earned' Advertising Grows in Importance. April 10, 2012. Accessed July 17, 2012. http://www.nielsen.com/us/en/insights/press-room/2012/nielsen-global-consumers-trust-in-earned-advertising-grows.html.
[20] "Sheraton Hotels & Resorts Reveals New Social Media Survey with Surprising Results | Hospitality World Network." Hospitality World Network Provides the Top News, Expertise and Insights into the Hotel and Hospitality Industry | Hospitality World Network. November 2010. Accessed July 11, 2011. http://www.hospitalityworldnetwork.com/sharaton/new-sheraton-survey-reveals-importance-social-media-9613.
[21] "World Travel Market Industry Report 2010." World Travel Market London. December 2010. Accessed July 17, 2012. http://www.wtmlondon.com/files/wtm2010_industry_report.pdf.

2.4.1 Facebook

Facebook is the by far the largest social network in the world with one billion individual users covering the entire globe[22]. It allows hotels the possibility to connect with an enormous number of potential guests. Through the guests that join a hotel's network the brand will become known to their friends in their network every time they interact with the hotel.

Of the platforms we will discuss here Facebook offers the most varied forms of interaction. It crosses the borders of social networking, blogging, micro blogging, video and picture sharing as well as most of the other
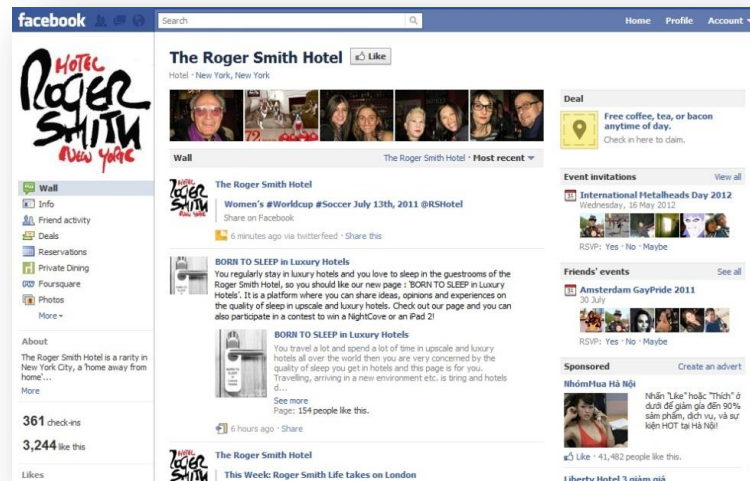
Figure 4 - Roger Smith Hotel Facebook Page

defined segments. According to E.A. Vander Veer, Facebook is a "social networking site that combines the best of blogs, online forums and groups, photo sharing, clever applications, and interaction among friends"[23].

A good example to take note of Facebook in use is the Roger Smith Hotel in New York (see figure 4[24]). The page provides a lot more than information about the hotel which encourages users to be more than a one-time visitor; instead it becomes a focus of interest as a source of information and interaction.

The Roger Smith Hotel's Facebook page provides information on events happening in and around New York as well as general advice useful to those planning on visiting the city. This added value approach engenders a level of trust and encourages users to visit the page for information. Rather than acting as another sales channel the page is used to promote the brand by providing valued content, encouraging others to become brand advocates by sharing links to people within their own

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[22] "Statistics | Facebook." Facebook. Accessed October 11, 2012.
http://www.facebook.com/press/info.php?statistics.
[23] VanDerVeer, E. A. *Facebook: The Missing Manual*. Sebastopol, CA: O'Reilly & Associates, 2011. Page xiii.
Print.
[24] "The Roger Smith Hotel - Hotel - New York | Facebook." Web. 13 July 2011.
<http://www.facebook.com/rogersmithhotel>.

networks. To encourage visitors to join the Roger Smith network and to then feel valued they also offer exclusive discounts through the page. They attribute between 75 and 175 room bookings per month directly to their social media activities[25]

Through this apparently successful use of Facebook the Roger Smith Hotel has become the poster child for social media use within the hotel sector. It is held up as an example of how to penetrate an already saturated market like central Manhattan[26]. It should be noted that the Roger Smith hotel is a boutique hotel and not a chain. The difference in the clientele being sought could be quite different. A boutique hotel tends to be more stylish, offering an intimate atmosphere with highly personalised service and is usually themed along certain lines. The clientele attracted to stay at such hotels do so from an aspirational perspective. They seek the atmosphere and exclusivity of the boutique hotel above other considerations[27].

2.4.2 TripAdvisor

TripAdvisor is the world's largest travel related website[28]. The goal of the community of websites operated by TripAdvisor is "enabling travellers to plan and have the perfect trip". The site is offered in 30 different languages and contains 75 million reviews and opinions on every aspect of travel including hotels, travel companies, and so on.[29]

Sites such as TripAdvisor rank highly on search engine results for hotel accommodation. A Cornell University report into how travellers use social media showed TripAdvisor and similar sites as having a consistent influence on the early and middling stages of the booking process[30].

A survey of hoteliers listed on TripAdvisor was conducted in 2010 by Market Metrix with TripAdvisor. The survey intended to identify the impact of user reviews on the perception of the hotel. It included a large selection of independent hotels worldwide and covering all sections of the market.

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[25] Brandon. "Hotel Marketing Infographic -€" Weighing the Costs and Value." Buuteeq Marketing. May 7, 2012. Accessed July 21, 2012. http://www.buuteeq.com/blog/infographic-hotel-digital-marketing-web-mobile-social/.

[26] Patterson, B. "Best Social Media Campaigns and Practices of 2011, by Burns Patterson." Best Social Media Campaigns and Practices of 2011, by Burns Patterson. January 2012. Accessed August 21, 2012. http://hotelexecutive.com/business_review/2923/best-social-media-campaigns-and-practices-of-2011.

[27] Adner, R., Prof., A. Albazzaz, and D. Birnbaum. "Lifestyles of the Rich and Almost Famous: The Boutique Hotel Phenomenon in the United States." *Lifestyles of the Rich and Almost Famous: The Boutique Hotel Phenomenon in the United States*. INSEAD Business School, Jan. 2003. Web. 1 Sept. 2012. <http://faculty.insead.edu/adner/PREVIOUS/Projects-Jan03/Boutique%20Hotels.pdf>.

[28] "Fact Sheet - TripAdvisor." Fact Sheet - TripAdvisor. July 2012. Accessed September 21, 2012. http://www.tripadvisor.com/PressCenter-c4-Fact_Sheet.html.

[29] "About TripAdvisor." *Reviews of Hotels, Flights and Vacation Rentals*. TripAdvisor. Web. 09 Apr. 2012. <http://www.tripadvisor.com/pages/about_us.html>.

[30] McCarthy, Laura, Debra Stock, and Rohit Phd. Verma. *How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions*. Rep. 18th ed. Vol. 10. Ithaca: Cornell University, 2010. Print.

The report by Market Metrix found that

"*An impressive 90% of hotel managers think reviews are very important and nearly as many (81%) visit review sites at least weekly.*" [31]

The report concluded that the majority of hotel managers listed TripAdvisor as the most influential of all review sites but startlingly only 15% had implemented any policy at all for monitoring and dealing with reviews placed on any site. This policy, or rather lack of policy, is concerning on its own merit but when backed up by further studies it could be considered quite disturbing.

A 2009 study by researchers from various universities in China & the United States concluded:

"*Our results indicate a significant relationship between online consumer reviews and business performance of hotels.*"[32]

Similar studies completed by VU University Amsterdam in 2008 found similar results but went on further to say that the effects of the hotel reviews had a larger impact on less well known hotel brands than on well established brands[33]. Their argument being that more widely known hotel brands, such as the Marriot Hotel chain already have established brand attributes in the mind of the consumer. Therefor online reviews are less likely to have as much an impact as they would on unknown hotel brands.

A search on TripAdvisor for Hotel de Paris, randomly selected from the WinHotels chain yields a revealing example. Although the reviews are generally positive there are several negative reviews on the first page which with a little care and attention could be if not removed then the negative effects could at least be limited.

"Good location, helpful reception, but mind the rude guy with a paunch"

Reviewed May 30, 2011

"TERRIBLE SERVICE. The blatant rudeness of the concierge made my stay VERY unpleasant."

Reviewed December 7, 2010

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[31] "Market Matrix - Advancing the Field." *Customer Satisfaction and Employee Loyalty Solutions for Global Hospitality*. Trip Advisor. Web. 15 July 2011. <http://www.marketmetrix.com/en/default.aspx?s=research>
[32] Ye, Q., R. Law, and B. Gu. "The Impact of Online User Reviews on Hotel Room Sales."*International Journal of Hospitality Management* 28.1 (2009): 180-82. Print.
[33] Vermeulen, I., and D. Seegers. "Tried and Tested: The Impact of Online Hotel Reviews on Consumer Consideration." Tourism Management 30, no. 1 (2009): 123-27. 2009. Accessed September 1, 2011. http://home.fsw.vu.nl/IE.Vermeulen/vermeulen_ea_TM2008.pdf.

"Hotel stank - unbelievably stingy with towels and toilet roll"

Reviewed November 12, 2010

Many hoteliers have questioned the authenticity of reviews on TripAdvisor with many complaining about the exaggerated negativity of some reviews and that reviewers do not have to prove any of the claims let alone that they actually stayed at the hotel[34]. A study released in July 2011 concluded that review scores on TripAdvisor tracked closely the Market Matrix Hospitality Index (MMHI), a much respected hotel customer satisfaction panel in operation since 2001[35]. It is therefore reasonable to assume that TripAdvisor reviews are of value in determining customer perceptions. The idea that they are largely false or worthless, and so TripAdvisor can largely be left to take care of itself, is both wrong and evidence of a careless and potentially very damaging attitude to monitoring customer satisfaction.

2.4.3 Twitter

Twitter is a Micro-blogging site not unlike SMS text messaging on a mobile phone. Users can post messages with up to 140 characters on which others users can comment or repost. It was introduced in 2006 and at first was perceived as a rather quirky site with little mainstream interest. This perception was quickly altered and it now boasts 175 million users[36]. There is even a Twitter account used by the astronauts on the International Space Station.
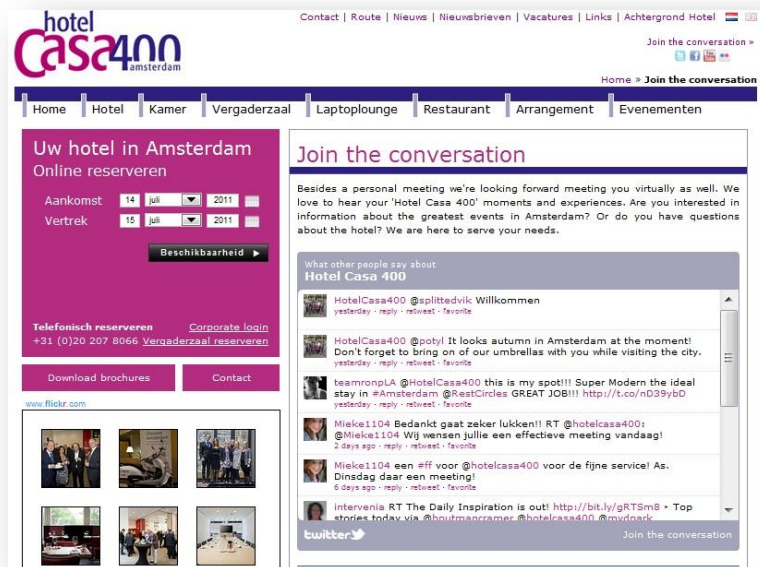
Figure 5 - Casa 400 Hotel Amsterdam webpage with integrated Twitter feed

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[34] McGuire, P. "TripAdvisor's Fake Review Problem." The Huffington Post. February 16, 2012. Accessed October 21, 2012. http://www.huffingtonpost.co.uk/peter-mcguire/tripadvisors-fake-review-problem_b_1243907.html.
[35] "Market Matrix - Advancing the Field." *Customer Satisfaction and Employee Loyalty Solutions for Global Hospitality*. 5 July 2011. Web. 15 July 2011. <http://www.marketmetrix.com/en/default.aspx?s=research>.
[36] *Twitter*. Web. 14 July 2011. <http://twitter.com/about>.

Twitter is becoming more significant within the travel industry with particular emphasis on the hotel sector. For guests it is becoming more and more worthwhile to follow hotels' Twitter accounts to find some of the special offers, last minute deals or even about special events. It also acts as a direct communication channel[37].

For the hotel Twitter offers many advantages. It provides a direct channel to people with whom the hotel has some kind of relationship. A carefully used Twitter account can be a great feedback tool. An open relationship with guests to report praise or problems, in full view of the public, should give extra incentive to staff to respond as appropriate. Other users can be assured by the positive way in which staff responds to the situation. This customer care approach is the most common way in which hotels use Twitter. Hotel Casa 400 in Amsterdam is a good example of this (see figure 5)[38].

Others, such as Kempton Hotels in the US, occasionally offer a secret password via Twitter which if customers mention upon check-in means a reward of some variety: a cocktail in the bar, an upgrade, free parking, and so on[39].

2.4.4 LinkedIn

LinkedIn is a business related social networking site with approximately 100 million users in over 200 countries around the world[40].

The difference between LinkedIn and the other social networks featured in this research is that LinkedIn is designed for professionals to maintain and build relationships with like-minded people with whom they can do business. It is the largest collection of hotel professionals on any network according to Are Morch, a respected hotel consultant[41]. According to an iTracks survey of the Business Marketing Association, 49% of respondents said LinkedIn offered the best overall return on investment[42].

Other marketing experts agree that building a network of professionals in the same field is what makes LinkedIn invaluable. The ability to search out and find contacts through a number of fields is

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[37] "Social Media in Travel 2011: Traffic, Activity and Sentiment." TRAVDEX - The Travel Technology Trade Show Produced by PhoCusWright. July 2011. Accessed July 11, 2011. http://www.travdex.com/store/1669.

[38] "Join the Conversation | Hotel Casa 400 Amsterdam." *Hotel Casa 400 Amsterdam | Ervaar Onze Betrouwbare Gastvrijheid*. Web. 14 July 2011. <http://www.hotelcasa400.nl/join-the-conversation.html>.

[39] "Kimpton Hotels Twitter Feed." *Twitter*. Web. 14 July 2011

[40] "About Us." *LinkedIn Press Center*. Web. 14 July 2011. <http://press.linkedin.com/about>

[41] "Interview With Hotel Marketer Are Morch." *High Quality Link Building Services & Social Media Marketing*. 27 June 2010. Web. 14 July 2011. <http://www.linkbuildr.com/interview-with-hotel-marketer-are-morch/>.

[42] "BMA Social Media Survey Results." *Online Qualitative Software Built by Researchers :. Itracks Online Focus Groups*. 01 June 2011. Web. 14 July 2011. <http://itracks.com/Resources/BMA-Social-Media-Survey-Results.html>.

very useful. You can search for contacts by market segments via personal profile, updates, job title or description, company or groups and other fields.

A professional presence on LinkedIn provides the ability to engage with groups and discussion forums relevant to the user's industry. LinkedIn groups facilitate networking between professionals in related fields. Through these groups professional networks begin to expand offering possibilities to search for candidates for open upper level positions. The ability to see extended networks of people within a user's own networks allows for vetting of potential candidates through known contacts. Through LinkedIn it is possible to collect a large amount of information on potential candidates prior to first contact[43] [44].

It should also be noted that LinkedIn is very SEO friendly and can raise the profile of WinHotels on search engine results. Professional pages on LinkedIn will feature highly on any search engine results.

2.4.5 Foursquare

Foursquare is what is known as a geo-locating social network. It simple means that people notify
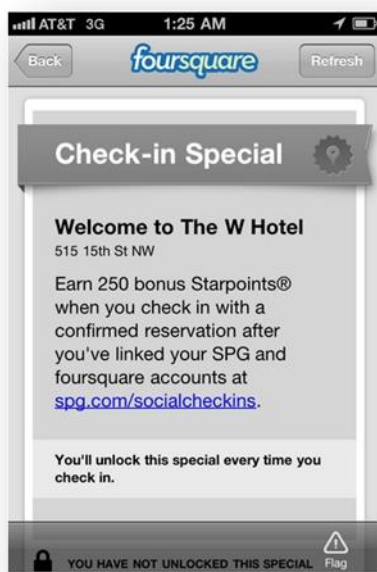
Figure 6 - Sheraton Hotel Check-in promotion

Foursquare of their location using a mobile device such as an iPhone, the point being a more game-like aspect of completion. The user who has checked-in to a particular location more times than any other in the last 60 days becomes the "Mayor" of that particular location and wins the game. There is no particular prize just some sense of self-satisfaction. In only 4 years since its inception Foursquare has surpassed 10 million users and is growing with over 3 million check-ins per day[45].

People enjoy the game aspect of foursquare and will voluntarily check-in at places which are registered. Providing some kind of incentive for them to do so can benefit hotels and other businesses significantly. Foursquare records and reports on the check-ins

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[43] Saint, N. "How To Use LinkedIn For Recruiting." Business Insider. December 15, 2009. Accessed August 21, 2012. http://www.businessinsider.com/how-to-use-linkedin-for-recruiting-2009-12?op=1.
[44] Luckerson, V. "How LinkedIn Makes Money Off Your Resume – And Why That's Good For You." TIME.com. July 20, 2012. Accessed October 21, 2012. http://business.time.com/2012/07/20/how-linkedin-makes-money-off-your-resume-and-why-thats-good-for-you/.
[45] "What Is Foursquare?" *FourSquare*. Web. 14 July 2011. <https://foursquare.com/about>.

providing businesses with customer usage statistics without much effort needed. Hotels like the Sheraton (see figure 6 [46]) are encouraging guests to check-in with foursquare and rewarding them with loyalty points which can be exchanged for rewards such as upgrades.

The Radisson Edwardian hotels in Manchester and London are offering users a promotion entitled "Check In, Check Out Later"[47]. Guests who check in using either foursquare or Facebook places can check out of the hotel up to 2 hours after normal check out time.

The other bonus for the hotel for such a simple project is heightened brand recognition. Check-ins using foursquare are automatically posted via Twitter and Facebook.

2.4.6 YouTube

Every minute of every day 72 hours of video are uploaded. In a single month the equivalent of 4 billion hours of video are streamed from this site. 17 million people have their YouTube account linked to at least one other social network site and over 100 million people per week take some kind of social action with a video e.g. share, like or link[48]. The simple fact is that people love video.
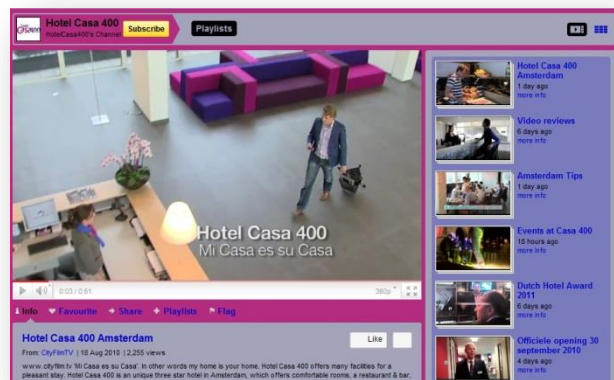
Figure 7 - Casa 400 Hotel Amsterdam YouTube page

Video displays the hotel in a way pictures simply cannot. In addition, YouTube is once again very SEO friendly. With videos containing the right tag and linked back to your hotel website moving up the all-important organic search results rankings becomes a little easier.

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[46] "6 Successful Foursquare Marketing Campaigns to Learn From." *Social Media News and Web Tips â€" Mashable 6 The Social Media Guide*. Web. 14 July 2011. <http://mashable.com/2011/07/13/foursquare-marketing-campaigns/>.

[47] "Check-in, Check-Out Late With Radisson Hotels." *All About Geo Marketing*. 14 July 2011. http://www.allaboutgeomarketing.com/checkin-on-foursquare-and-facebook-for-a-late-checkout-at-radisson-hotel/.

[48] "YouTube: Statistics." YouTube. 2012. Accessed August 21, 2012. http://www.youtube.com/t/press_statistics.

Hotel Casa 400 in Amsterdam has a channel of YouTube videos listed on the hotel website and also a channel on YouTube itself (see figure 7 [49]). They even offer guests the opportunity to borrow a small video camera from reception to record their own reviews of the hotel.

2.5 How Consumers Use Social Media

There are two primary types of travellers: those who travel for business and those who travel for pleasure. It is an important distinction to make in this particular research field as both are likely to plan and book hotel stays differently. A study of 2,830 recent travellers released in December 2010 found that approximately 40% of business travellers will simply go with the accommodation recommended by their organisation[50]. It is primarily leisure travellers who want engagement and interaction in social media. Chairman and CEO of Ypartnership Peter Yesawich sums up the sentiment of the vast majority of social media users:

"First, when asked about their primary motivations for the use of social media, active travellers cite the expected: a new and novel way to stay in touch with old friends, to find and make new ones, and to share information, photos and other content about life events. Very few, if any, mention activities of a commercial nature such as sourcing good deals, comparison shopping for products and services, and the like."[51]

Users of social media are looking for content that is relevant to them and has value.

The content posted on social media sites tends to be short lived. With the average person on Facebook having 130 friends[52] the speed with which a post can be pushed down a wall and out of sight can be fast. This is not to say that posting every hour is recommended either. The key is to ensure each message offers something of value, whether it is a booking incentive or information on events happening in the local area. Constant promotion with little value can be tiresome and irritating to members of the group and could lead to brand fatigue. The recommendations section of this report contains an update schedule recommendation based on the intensity of a social media marketing campaign.

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[49] "HotelCasa400's Channel - YouTube." *YouTube - Broadcast Yourself.* Web. 14 July 2011. <http://www.youtube.com/user/HotelCasa400>

[50] McCarthy, L., D. Stock, and R. Verma, Phd. How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions. Report no. Vol 10 No 18. 18th ed. Vol. 10. Ithaca: Cornell Hospitality Research, 2010. Print

[51] "Social Media Influence on Consumer Choice | Travel Agent Central." TACl Is the Official Web Site of the Travel Industry, Covering Breaking News, Deals, and Stories. November 10, 2010. Accessed July 12, 2011. http://www.travelagentcentral.com/trends-research/does-social-media-influence-consumer-choice-2042.

[52] "Statistics | Facebook." Facebook. Accessed July 11, 2011. http://www.facebook.com/press/info.php?statistics.

There are conflicting reports whether consumers trust user generated content such as reviews on TripAdvisor more than they trust reviews from more established media. Some argue that consumers place more faith in the opinion of a person they have never met posted on a website more while others argue that established and structured review organisations such as Forbes hotel reviews have more followers. The one point that they all agree on is that internet users do place some faith in these reviews; the only difference is the degree to which they do. The important thing to note about this is that the anecdotal evidence suggests users respond more to brands which promptly respond to the reviews in a professional manner.

2.5.1 How Social Media Affects Traffic to Site & Bookings

The sources of traffic that bring internet users to a hotel's website are many and varied. By far the leading source of qualified referrals leading to a booking was search engines with Google leading the way by a large margin. This result has been confirmed in several independent studies[53][54][55]. Each of the reports which covered up to 35,000 bookings made during 2010 to a selection of hotels in Rome, Barcelona and Paris found a relatively consistent 70-75% of bookings had come to the hotel website through search engines. Given this information it might be assumed that focusing solely on SEO would be the way to go to maximise bookings. However, one must look a little deeper at the number and the search terms used to find the hotel through online search.

A study by hotel marketing agency Wihp showed that 90% of bookings made through a hotel website are made by people who already knew the name of the hotel and came to the website

Answers to "How did you hear about us" of over 100 independent hotels in Paris, Rome and Barcelona. Collection of over 6000 bookings made. *Survey conducted by WIHP.*

Figure 8 - Survey results: How did you hear about us?

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[53] Hotel Traveler's Road to Decision. Report. September 2010. Accessed May 8, 2012. http://www.thinkwithgoogle.com/insights/library/studies/hotel-travelers-road-to-decision-2010/.
[54] McCarthy, L., D. Stock, and R. Verma, Phd. How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions. Report no. Vol 10 No 18. 18th ed. Vol. 10. Ithaca: Cornell Hospitality Research, 2010. Print
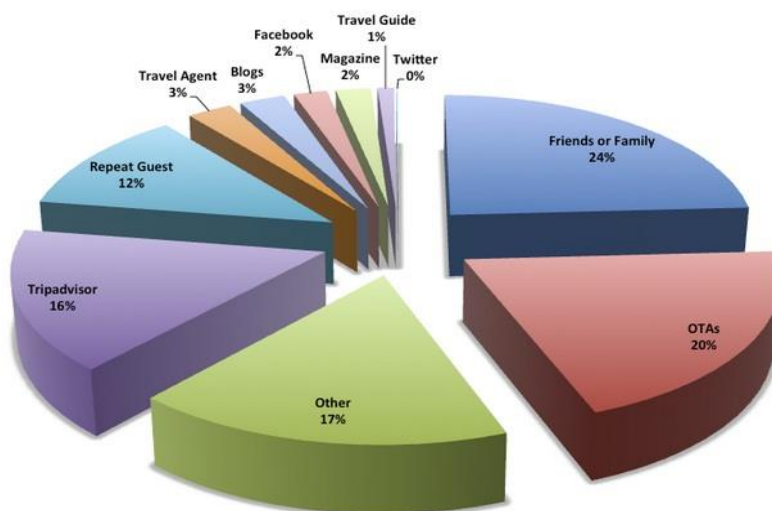[55] "Top Referring Sites for Hotels by WIHP -." Hotel Marketing Blog - Mirarmedia by Martin Soler. June 30, 2011. Accessed July 15, 2011. http://www.mirarmedia.com/2011/top-referring-sites-for-hotels-wihp/.

with the purpose of booking a stay at that hotel (see figure 8)[56]. Given that 70-75% of these bookings had come through a search engine, just where had these guests heard about that particular hotel? This is truly where the value of social networks and social media begins to be realised in increased bookings.

Three independent studies in the last year by Google, Wihp Hotel Magazine and Cornell University found that between 25-30% of bookings came through recommendations from family and friends. Remove business related travel, for which the primary resource is company recommendations and that percentage more than doubles to 60-65%[57]. This is where the value of social media becomes clearer: social media is all about friends and family.

Social media engagement is shifting the way B2C communication happens. It is no longer a static one way affair. Consumers now have the power to engage not just with the business but with other past and future clients on a much enhanced scale. For a business to ignore the possible good and bad that this can do would be irresponsible.

Engaging in a social media marketing campaign is relatively inexpensive on the most basic level in anything but time dedicated by the hotel with relatively little outlay needed to begin. The benefits on the other hand are numerous. Increased visibility across more networks and customer engagement bringing invaluable feedback are two of the main benefits but there are also hugely beneficial side effects. A presence on various social networks will help boost search engine visibility and produce a higher rank in organic searches. The average internet consumer is unlikely to scroll far down the first results page or even click onto the next page of search results. The likelihood of someone scrolling to the bottom of the 12th page is therefore slim.

2.6 Relationship Marketing

2.6.1 Background
Much of modern marketing theory was developed during the 1960's and 1970's. This was an era when following World War II mass urbanisation occurred in the West. Mass production began creating economies of scale which in turn created a need to find markets for these cheaper mass produced products. Companies began focusing on seeking out new markets into which they could channel these products. This yielded Transactional Marketing wherein the aim of the marketer was

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[56] Analyzing the Real Source of Hotel Bookings - WIHP Magazine | WIHP Magazine." WIHP Magazine | Professional Online Marketing for Hotels. June 23, 2011. Accessed July 15, 2011. http://www.wihphotel.com/mag/15/analyzing-the-real-source-of-hotel-bookings/.
[57] McCarthy, L., D. Stock, and R. Verma, Phd. How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions. Report no. Vol 10 No 18. 18th ed. Vol. 10. Ithaca: Cornell Hospitality Research, 2010. Print

to persuade the consumer to purchase the product. The moment of purchase was considered to be the end of the role of the marketing department[58].

In 1964 Jerome McCarthy produced his four P's of the marketing mix: Product, Price, Placement, Promotion. At this time marketing communication was considered to be unidirectional. Once a product was in the hands of the consumer the role of the manufacturing company was complete. Over the next several decades these 4P's of the marketing mix became the standard by which marketers worked as they had been the cornerstone of their marketing education. Scant attention was paid to the customer post transaction.

Many marketers began to see problems with this transactional form of marketing as it was becoming obvious that it was not a one size fits all solution. Over time the short term focus of transaction based marketing became unsustainable. Increased competition and the effort and resources required to constantly seek out new customers began to affect change in marketing thinking. The increasing technological components of new products such as cars or computers also led consumers to a point where self-repair became impossible and contact with the original manufacturer was vital. Manufacturers became more aware of their products failings and with mass production these failings were more widespread and numerous leading them to see the value of customer input and feedback.

A rising services sector was also shining light on the failures of transactional marketing to address the needs of the consumer. The traditional approach to marketing needed to be augmented with a relational approach to the consumer where the consumer was seen as more than a purchaser but rather as a partner.

2.6.2 A New Approach

By the early 1990's relationship marketing was beginning to take hold as a serious alternative to transactional marketing. The term was first coined by Leonard Berry in 1982 with regard to changes he saw as needed in the American banking industry[59]. This idea began to take hold especially in the service industry. The short-term nature of Transactional Marketing was no longer sufficient; an approach with a view towards a longer term relationship was needed.

Relationship marketing focuses on the relationship between the buyer and the seller over a longer term. The realisation that it is more cost effective to focus on retaining customers than actively

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[58] Sheth, J. "The Evolution of Relationship Marketing." International Business Review 4, no. 4 (1995): 397-418. Print.
[59] Grönroos, C. "From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift InMarketing." Management Decision 32, no. 2 (1994): 4-20. Print.

seeking out new customers[60] was core to this new approach. Relationship marketing is based on the notion that beyond the completion of the transaction, whether for goods or services, there is additional value for both parties in a continued relationship.

Are Morch suggests that when hotels begin looking at relationship marketing they should "Start with identifying the Social Media Exchange approach"[61].

Relationship Marketing encourages a hotel to build relationships with guests, suppliers, peers and with partners in order to build brand loyalty and trust. The way to achieve this is through high value communication which helps each party to understand what they want and need from the relationship. The social media exchange approach uses social media as a listening post where all parties know they can be heard and addressed. Not only does this allow the hotel to fulfil these wants and needs but also to show that they care about the relationship thus engendering a level of trust and loyalty.

Daniel Edward Craig is a respected hotel consultant and keynote speaker at several conferences organised by TripAdvisor on social media in the hospitality industry. In an interview he was asked:

Q: "What are some of the top benefits for Hotels that are considering applying Relationship Marketing to their Marketing Strategy?"

A: "By monitoring, reacting to and responding to reviews and social media feedback, hotels can drive incremental revenue and gain a better understanding of strengths and weaknesses and how they compare with competitors. They can use feedback to make improvements and to be more targeted in sales and marketing activities. By actively participating in social networking, hotels can help shape perceptions of their brand and build loyalty and advocacy among guests."[62]

An important point to note is that central to his answer is that the reciprocal nature of the relationship building process in social networking will help hotels identify the strengths and weaknesses of their business. It is here that the value of a relationship with the customer brings the

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[60] Sheth, J. "The Evolution of Relationship Marketing." International Business Review 4, no. 4 (1995): 397-418. Print.

[61] Morch, A. "How Relationship Marketing Will Increase Hotel Occupancy." Hotel Marketing & Social Media Strategies. February 22, 2012. Accessed April 24, 2012. http://aremorch.com/2012/02/22/how-relationship-marketing-will-increase-hotel-occupancy/.

[62] "Why Hotels Should Pay Attention To Reputation Management - Interview With Daniel Edward Craig." August 08, 2011. Accessed April 24, 2012. http://aremorch.com/2011/08/08/why-hotels-should-pay-attention-to-reputation-management-interview-with-daniel-edward-craig/.

value back to the hotel. The response to customer feedback and involvement can lead to a sense of community and a more trusting and satisfied customer.

Adopting social networking into an organisation should be seen as an extension of customer relations management (CRM). Indeed this inclusion has even become a recognised extension of the CRM acronym to SCRM, the S standing for Social. Paul Greenberg, the author of "CRM at The Speed of Light" (its fourth edition published in 2009) gives the following definition of SCRM:

"SCRM is a philosophy & a business strategy, supported by a technology platform, business rules, workflow, processes & social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted & transparent business environment. It's the company's response to the customer's ownership of the conversation."[63]

Adopting relationship marketing as a strategy would encourage hotels to build relationships with guests, suppliers, partners and peers, fostering a sense of loyalty. The key to achieving this is honest and transparent communication with all parties. Social media has increased the power of individual customers to influence others. Traditional CRM systems struggle to deal with the customer having a face and voice instead of being a stream of data[64].

The traditional approach leaves many customers feeling cold, and many resort to social media to publicise their frustrations. The negative side to using social media to communicate with consumers is that it can act as a lightning rod for abuse in a very public forum[65]. How the communication is handled can have a ripple effect with potential positive or negative results. The key is handling the communication in a professional and proactive fashion[66]. The aim of these relationships is to turn a guest from a one-time visitor to a brand advocate.

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[63] Greenberg, P. "PGreenblog." : Time to Put a Stake in the Ground on Social CRM. July 06, 2009. Accessed April 24, 2012.

[64] McKee, S. "How Social Media Is Changing CRM." *Business Week*, June 11, 2012. Accessed July 17, 2012. http://www.businessweek.com/articles/2012-06-08/how-social-media-is-changing-crm#p1.

[65] Wagstaff, J. "Personal Technology: Why Hotels Should Avoid Social Media." Jakarta Post. June 28, 2010. Accessed July 17, 2012. http://www.thejakartapost.com/news/2010/06/28/personal-technology-why-hotels-should-avoid-social-media.html.

[66] Lipka, M. "Complain - and Get Results." Chicago Tribune. August 03, 2012. Accessed September 18, 2012. http://articles.chicagotribune.com/2012-08-03/business/sc-cons-0802-save-complain-20120803_1_social-networks-consumer-complaints-companies-show.

2.6.3 Permissions Marketing

Permissions Marketing could be seen as an extension of the relationship built between the hotel and the guest. They should be made aware of and encouraged to connect with WinHotels on the social media platforms. By joining Facebook pages, Twitter feeds or checking in with foursquare guests are opting to receive more information about products and services. This is referred to as "Permission Marketing", a term popularized by author Seth Godin[67]. This contrasts with the more traditional "interruption marketing" wherein the customer is given little choice in what marketing activities are forced upon them. By opting in they are giving permission to be sent further marketing messages. These interactions with WinHotels will also appear in the guests' feed on the various social media platforms and bring the brand to the attention of others in their networks.

2.7 Social Media Marketing & Strategy

2.7.1 Social Media in the Marketing Plan

Since the recent emergence of social media and its rapid integration into everyday life has occurred over a short period of time there are as yet no set rules or guidelines to follow on how to use social media to market products and services. However, the overriding sentiment of marketing professionals is that it is now an established part of the marketing plan[68].

In a 2009 lecture entitled "The Future of Marketing" delivered to the Thailand Management Association, Philip Kotler stated that we are now in the age of "collaborative marketing". He asserted that the very nature of the interaction between the business and the customer has changed. In the past the interaction has been based primarily on observing, learning and adapting to suit the customer's needs.

The era of collaborative marketing involves active dialogue with customers and communities. In his latest book, Marketing 3.0, Kotler suggests marketers need to acknowledge the growing power of the consumer using social media and to engage with them[69].

Social media activities from a business perspective consist of a number of essential tasks, all of which revolve around communicating in both directions with the consumer as shown in Figure 9.

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[67] Godin, S. Permission Marketing: Turning Strangers into Friends, and Friends into Customers. New York: Simon & Schuster, 1999. Print.

[68] Stelzner, M. "Social Media Marketing Industry Report." WhitePaperSource. April 2011. Accessed April 03, 2012. http://www.whitepapersource.com/socialmediamarketing/report/.

[69] Kotler, P. Marketing 3. 0. ; From Products to Customers to the Human Spirit. John Wiley & Sons Canada, Limited, 2010. Print.

Figure 9 - The Role of Social Media in Business

Figure 10 illustrates the recommended positioning of social media in WinHotels' Marketing plan.

Marketing Communication Plan Outline
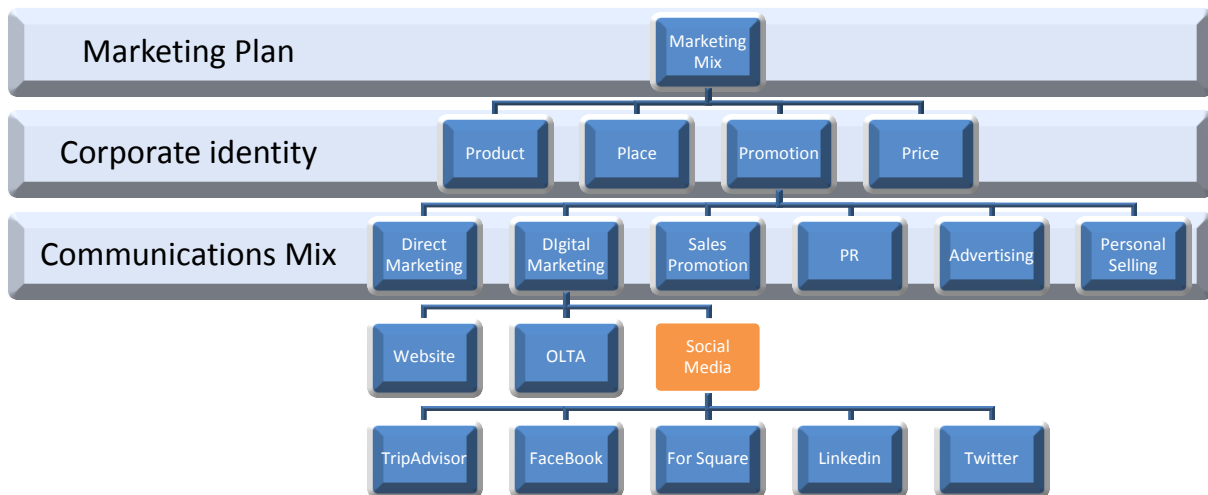
Figure 10 - Social Media in the marketing plan

By treating social media as an integral part of the communication plan it should help keep a common consistency throughout all communication with the customer and prevent mixed messages.

The temptation may be present to include social media in WinHotels' advertising strategy. This should be avoided. Thinking of social media with only short terms sales in mind would be an error. Social media is about the generation of content for mutual benefit. To put social media in the 4 P's of the marketing mix would most certainly see it fall under the Promotional P. According to Kotler[70], promotion is forming an image of a "distinct and valued place" in the mind of the consumer, thereby building brand equity with the consumer and a longer term relationship:

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[70] Kotler, P. *Marketing Management*. Upper Saddle River, NJ: Prentice Hall, 2000. Print.

"Social media is not about making short-term sales. It is about sharing and listening and channelling information into systems that alert certain staff to negative discussions, positive discussions, suggestions, complaints, and ideas for new products, new ads, new promotions and new discussions." [71]

The benefits of incorporating social media into marketing activities seems, if not inevitable then at least a sensible step. The benefits are many and the possible effects are many. The conversation regarding WinHotels is already on-going as is evidenced by the comments on TripAdvisor. Using social media as a tool to counter negativity, as a customer service point and to promote gives a transparent central point of contact for guests and potential guests to view the WinHotels brand. The effect this will have on guest perception will obviously have a lot to do with how this conversation is handled but the effect it will have on search engine rankings will be positive none the less.

2.7.2 Social Media Strategy

Why Do We Need a Social Media Strategy?

Social media has outstripped all other traffic on the internet and is now the largest source of traffic. Bearing this in mind the major search engines – Google, Bing and Yahoo – now give credence to social media mentions and connectivity when producing organic search results. Organic search results are the results listing on any search engine results page not being paid for. Social media usage can increase the profile of a corporate webpage on Google for example. A search on Google on February 23th 2012 for the search words "hotel Amsterdam" produced the results in figure 11.
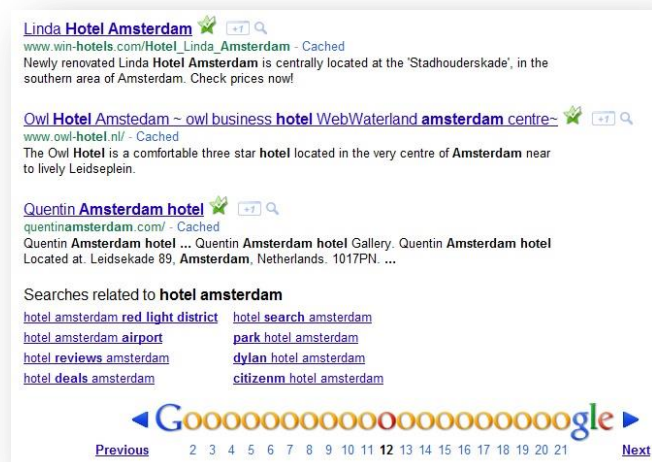
The first listing of any of the Win-Hotels chain is third from bottom on page 12. This equates to a not so satisfying 117th in the rankings, meaning potential guests are more likely to find Win-Hotels through 3rd party websites than by searching through 116 other results.

The graph in figure 12 is taken from a survey of 4,000 travellers conducted by Cornell University Center for Hospitality Research. They were asked to list where they were most likely to source

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[71] Smith, P. R., and Z. Zook. Marketing Communications: Integrating Offline and Online with Social Media. Philadelphia, PA: Kogan Page 9, 2011. Print.

information on hotels.
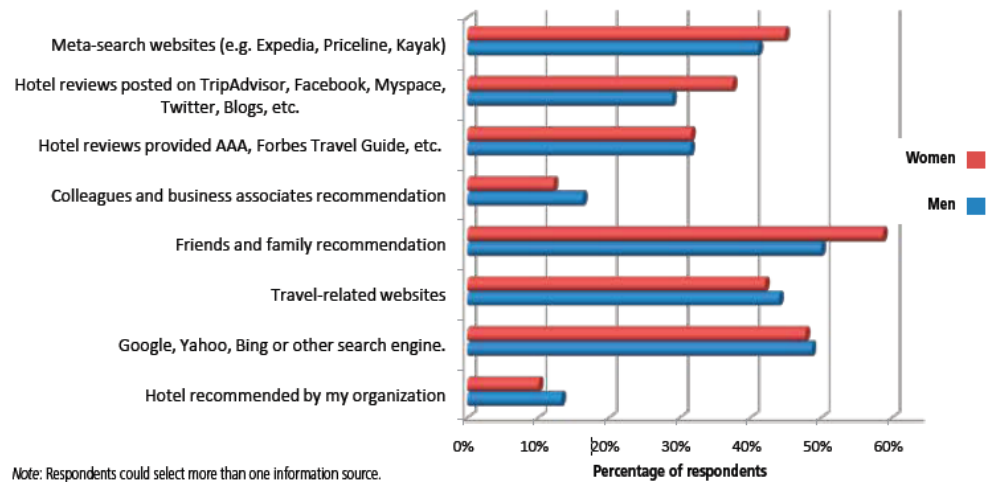
Hotel information sources for leisure travelers

Note: Respondents could select more than one information source.

Figure 11 - Sources of Hotel Information[72]

The leading two sources of information are recommendations from family and friends followed by internet search engines. Given the increasing numbers of people using social media to keep in contact, with the most growth being those over 35**[73]**, it is reasonable to assume a lot of those recommendations are taking place through social networking sites such as Twitter or Facebook.

According to the results of a survey of 2,000 UK travellers conducted by Ebookers in early 2011, it may be the most popular way of passing on recommendations. Over 50% of respondents say they regularly check and update their social networks while on holiday. Furthermore 40% say they no longer send postcards, preferring the simplicity of the mass broadcast of holiday details provided by social media.[74] Ebookers in response to this survey have produced their own iPhone/iPad app providing location guides with hotel and sights review allowing users to post to social groups.

If guests are talking about your hotel would it not be wise to be paying attention? Without a clearly laid out strategy and policies for engaging with clients there is the very real possibility of sending the wrong message to customers, whether potential or actual.

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[72] McCarthy, L., D. Stock, and R. Verma, Phd. How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions. Report no. Vol 10 No 18. 18th ed. Vol. 10. Ithaca: Cornell Hospitality Research, 2010. Print

[73] McCarthy, L., D. Stock, and R. Verma, Phd. How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions. Report no. Vol 10 No 18. 18th ed. Vol. 10. Ithaca: Cornell Hospitality Research, 2010. Print

[74] "Consumers failing to Let Go of Social Media Even When on Holiday | Tnooz." Tnooz - Talking Travel Tech. July 7, 2011. Accessed July 13, 2011. http://www.tnooz.com/2011/07/07/news/consumers-failing-to-let-go-of-social-media-even-when-on-holiday/.

Forming a Strategy

The objective of the strategy is to clearly establish the business's current position, where it is intended to be, and how to reach that destination. As part of this appraisal it should also determine the social media tools most likely to deliver a successful realisation. A clearly thought out plan will identify the scope of interaction with social media as well as the allocation of time, energy and money.

A leading social media expert, Cory Williamson, puts forward the idea that forming a social media strategy comes in six steps as illustrated in Figure 13[75].

Listen	• Secure your brand names across platforms: Facebook, Twitter, Youtube, Foursquare • Monitor what is being said in blogs, on postings • See what the competition is doing
Preplanning	• Questions who you are and where you want to be? • How engaged do you plan to be?
Target Profiles	• Create profiles of the groups you wish to target most
Set goals	• Increased traffic to website • Increased brand advocacy on sites such as TripAdvisor • Higher search engine ranking
Join The Conversation	• Raise awareness of the brand • Engage in conversation • Engage in social commerece: special offers to Twitter followers etc...
Measure ROI	• As defined at early stages in the planning stages

Figure 12 - Steps to creating a social media strategy[78]

A good beginning provides a solid foundation for action, so the preplanning stage should be carefully focused, founded upon careful listening to customer feedback and market discourse. The questions asked need to be concise and relevant in order to be capable of informing the steps following on from there. I have included some potential questions to consider:

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[75] Williamson, C. "Creating A Social Media Marketing Plan." Upload & Share PowerPoint Presentations and Documents. Accessed April 04, 2012. http://www.slideshare.net/corywilliamson/creating-a-social-media-plan-2529114.

1. **What is the hoped for end result?**

   - Raised brand awareness?

   - Improved customer loyalty?

   - Improved sales?

2. **Why social media?**

   - Do you believe the time and money spent on it will be worthwhile?

3. **Which social media?**

   - Facebook

   - Twitter

   - TripAdvisor

   - Four Square

4. **How to encourage participation?**

   - What will you do to encourage engagement? "If you build it they will come" is not a philosophy that works outside the movies.

5. **Will this be a long term investment or short term trial?**

   - Encouraging users to join and then leaving them hanging could damage your brand's image.

6. **Who has the time and skills to take care of it?**

   - Time is needed to do this properly but also crucially the correct skills are needed and not just being able to log into Facebook and post. Writing skills will be vital to success. Poor posting gives a poor impression.

7. **Do social media marketing compliment your other media channels?**

   - Can this new media compliment and integrate with other activities that are going on?

8. **Does engaging in social media mean you can lessen your efforts in other areas or mean you will have to pull resources from other areas?**

9. **What will be the measure of success and how will it be measured?**

Level of Engagement

According to Cory Williamson, social media strategy can be broken down into three distinct levels based on the time and energy used[76]. Each level offers a varying degree of engagement with the audience from simply offering the most basic information to real time interaction. Below is a description of each level including suggested levels of activity on each of the social media sites as well as a chart with recommended update frequency.

Level 1

Objective: To establish placeholders by securing names and accounts on the major social networking sites in an effort to protect the brand name. The most basic information is provided on each of the sites. The effort and time involved are minimal.

Strategy: This level of engagement is intended merely to secure the brand and could not be classified as truly interacting with the consumer as after the brand names are secured and basic information added little further action is taken.

To do:

Facebook

- Secure brand names

- Upload basic information about WinHotels

- Links to homepage

TripAdvisor

- Claim hotels listed on TripAdvisor review pages

- Ensure information listed about hotels is correct and valid

- Links to homepage

LinkedIn

- Secure brand names

- Upload basic information about WinHotels

- Links to homepage

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[76] Williamson, C. "Creating A Social Media Marketing Plan." Upload & Share PowerPoint Presentations and Documents. Accessed April 04, 2012. http://www.slideshare.net/corywilliamson/creating-a-social-media-plan-2529114.

Foursquare

- Claim hotel locations

- Upload basic information about WinHotels

- Links to homepage

Twitter

- Secure brand names

- Upload basic information about WinHotels

- Links to homepage

YouTube

- Register an account and create a channel to secure the WinHotels brand

This level of engagement can scarcely be called two way communications with the consumer. The most basic information about the hotels including: location, pictures logos and website address should be present.

At this level the update schedule across the various platforms would be minimal. The intended consequence at this level is to secure brand names to prevent others claiming them and to protect future plans to engage more actively.

Level 2

Objective: This level involves actively communicating with the audience. Actively seeking out the platforms on which potential audiences reside. Increased activity across the more important social media to increase connections with consumers and raise brand awareness.

Strategy: At this level two -way communication with the consumer begins. Examples include: creating content such as photos, videos and posting to Twitter, and so on; monitoring conversations on sites such as TripAdvisor for any potential customer care issues or any conversations to which WinHotels can add value. The goal is to create a level of trust and thereby build brand equity. There are tools and platforms available to enable monitoring of the various social media for items of relevance to WinHotels.

At this level of engagement WinHotels should be seeking to bring online marketing and offline marketing into a more integrated form, exploiting synergies where possible. The time and effort dedicated to building brand equity on social media sites should add value in other marketing areas.

The company website should have links to the various social media profiles. Emails to customers as well as brochures, pamphlets and other printed materials should encourage people who come into contact with the WinHotels brand to engage with them on social media sites also.

In order to maintain continued interest it would be necessary to periodically offer short term promotions such as competitions and discounts. Incentivising participation is vital to maintain interest. Resources will be divided among the social media platforms according to required effort (cost) and level of response (benefit), with TripAdvisor, Facebook and Twitter seeing the greater share of energy expended. A profile on LinkedIn should be maintained as the additional exposure for the brand is welcome and is useful for increased SEO. The primary function of LinkedIn is for B2B connections.

To do: (in addition to Level 1)

Facebook

- Addition of links to Facebook pages on company website and marketing material
- Upload pictures of hotels
- Promotional offers to Facebook fans
- Status updated regularly with relevant information which offers something to consumers e.g. information on events or promotional offers
- Offer incentives for guests to check-in with Facebook places – late checkout / free drinks / free parking etc…

TripAdvisor

- Monitor conversation for customer care issues responding where appropriate
- Ensure information listed about hotels is correct and valid
- Links from homepage to positive reviews

LinkedIn

- Update information when needed
- Encourage staff to register and connect with WinHotels

Foursquare

- Offer incentives for guests to check-in with foursquare – late checkout / free drinks / free parking etc…

Twitter

- Addition of links to Twitter feed on company website and marketing material

- Monitoring Twitter for mentions of WinHotels

- Upload pictures of hotels

- Promotional offers to Twitter followers

- Offer last minute deals to fill unoccupied rooms

- Status updated regularly with relevant information which offers something to consumers e.g. information on events or promotional offers

YouTube

- Display videos highlighting the hotels

Level 3

Objective: This level could be termed a "dedicated strategic engagement" as the monitoring and maintenance of the various social media profile becomes a full and valued part of the marketing activities within the organisation. The aim is to encourage users to actively engage with the various profiles by creating valued and engaging materials.

Strategy: At this level WinHotels should be active across all of the social media platforms deemed relevant. This involves creating content for, monitoring conversations by and engaging with the consumer.

The short term promotions in level 2 will be built on with competitions that encourage consumers to create their own content to be used by WinHotels.

Monitoring of social media should be consistent to minimise instances of perceived poor customer care. The integration of Twitter into the website to give consumers a platform for contact in an open and transparent location would force the company to provide sufficient resources to respond promptly to any complaints, and demonstrate this in practice.

The more time intensive aspects of social media assume greater significance. Videos created and uploaded to YouTube should now become more common. Content creation which adds value to the guests stay at the hotel will be the focus.

To do: (in addition to Level 1 & 2)

Facebook

- Status updates become a regular feature

- Competitions to involve the audience in creating content

TripAdvisor

- Monitor conversation for areas in which WinHotels can add value; information on upcoming events

LinkedIn

- Engage in forums and groups to increase contacts and networking possibilities

Foursquare

- Offer incentives for guests to check-in with foursquare – late checkout / free drinks / free parking, upgrade, and so on

Twitter

- Competitions offered to twitter followers
- Tweets regarding upcoming events with useful information
- Tweets information about little known gems of Amsterdam to encourage interest

YouTube

- Create videos highlighting the hotels and their facilities
- Create videos highlighting Amsterdam and benefits of staying with WinHotels
- Encourage guests to post videos of their stay to the WinHotels YouTube channel

Update Schedule

Table 1 - Social Media update schedule

	Level I update schedule	Level II update schedule	Level III update schedule	Actions
TripAdvisor	When relevant info changes	Weekly	At least 2-3 times per week	Check reviews & relevant content and reply
Facebook	When relevant info changes	Weekly	At least 2-3 times per week	Update status, run special offers, upload pictures
Twitter	When relevant info changes	Weekly	At least 2-3 times per week	Run special offers / competitions / last minute deals
YouTube	When relevant info changes	2-3 Months	At least monthly	Upload videos
Foursquare	When relevant info changes	2-3 weeks	Weekly	Offer promotions for check-ins
LinkedIn	When relevant info changes	2-3 Months	Weekly	Build a network of contacts and engage with industry peers

2.7.3 Social Media Policy

Creating a social media policy will have many components and will affect every aspect of the online interaction guests have with WinHotels. The policy should cover everything; the who, the how, the where and the when of the interaction. Each staff member should be made to understand the potential value and their particular role with regard to social media. Attracting guests with a special offer placed on Twitter is commendable but maybe not so much if a confused receptionist refuses to accept the guests because they are unaware of the special offer.

Figure 13 - Awareness

It is imperative that each staff member understands the value placed on the hotel's interaction with members of their social networks. Encouraging them to link via Facebook and other sites is a great way of spreading awareness but an unprofessional attitude or poor preparation could cause damage to the brand. Establishing a social media policy where the guidelines staff should follow in their interactions on social media are key to ensuring the creating the level of transparency and building the trust needed to make any social media campaigns successful.

2.7.4 Return on Investment

The nature of social media marketing makes it difficult to measure return on investment. Focusing on social media as a direct sales tool may be to miss the potential benefits. When setting out the metrics by which success or failure is measured it would be wise to think of social media as a way to improve customer care, counter negative brand perception and increase brand awareness.

The earlier that specfic metrics are established, the more these metrics can be incorporated into the design of a strategy and the more orientated the strategy can be to achieving some form of measurable key performance indicator (KPI).

When considering the metrics by which the success or otherwise of a social media strategy is to be measured, it would be advisable to differentiate between quantitative and qualitative results. Quantitative results are those that can be easily measured in figures: for example, friends on Facebook, or tweets by customers mentioning WinHotels. Qualitative metrics are where measurement is more difficult and subject to ambiguity. Rather than dealing with hard facts and figures we would be dealing with customer sentiment for a complete mind, body, spirit approach. This is refered to this as the holistic marketing approach[77].

Holistic Marketing invloves looking inward at the company to identify the inherent strenghts which can be utilised to improve the relationship with all stakeholders. A key tenet of this approach is relationship marketing, using input from internal and external stakeholders to look at the business as

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[77] Kotler, P. Marketing 3. 0. ; From Products to Customers to the Human Spirit. John Wiley & Sons Canada, Limited, 2010. Print.

a whole to create a marketing strategy which involves the whole company. This is done to create a unified and clear marketing strategy wherein the whole company speaks with one voice.

Table 2 illustrates the differences between quantitive and qualitative aspects of the metrics in a clearer manner[78].

Table 2 - Social Media metrics

Description	Quantitative	Qualitative
Actions intiated by WinHotels	-No. of Posts -Update Fequency	-Comments -Feedback
Interactions with audience	-No. of followers -No. of comments -No. of views -Content generated by users e.g. photos/tweets	-Customer sentiment -Learnings
ROI & brand loyalty	-Tracking with promotional codes -No. of customer care issues identified and resolved -SEO ranking changes	-Customer stories -Learnings

The difficulty in monitoring and assessing the successes or failures of social media marketing has been addressed by numerous software companies and there is a multitude of tools available to help.

Freely available tools like Google Analytics measure traffic to your website quite comprehensively but lack any information on anything not directly related to the website. Other free tools like Tweetdeck allow you to monitor mentions of your brand on Twitter. SocialMention monitors social media sites for mentions of your chosen key words. The difficulty with the multitude of free tools available is their lack of integration and the need to collate the information taken from multiple sources into a coherent data set.

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[78] Brown, M. "The Brainzooming Group | Strategy Consulting and Strategic Planning." 6 Social Media Metrics You Should Be Tracking. July 14, 2010. Accessed April 04, 2012. http://brainzooming.com/6-social-media-metrics-you-should-be-tracking/3879/.

The issue with having to manage multiple platforms to monitor WinHotel's online presence can be resolved by selecting from a number of paid social media monitoring systems. One such example is Reinvate,[79] a social media solutions provider for the hospitality industry.

Services such as Reinvate constantly monitor social media for mentions of a client, as well as reviews on OTAs such as TripAdvisor, and offers a central management point. From this central point it becomes possible to manage, respond, highlight, track and report. The metrics by which a client chooses to monitor its social media interaction can be selected from this central point, whether it be OTA ratings, new followers on Twitter or how many times a link posted on Facebook has been clicked.

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[79] "The Leading Social Media Solution for the Hospitality Industry." Revinate. Accessed May 17, 2012. http://www.revinate.com/.

Part Three

3.1 Conclusions

Search engines are the leading source of traffic to hotel websites and of realised bookings with 70-75% depending on the survey[80][81]. To focus the entirety of the online marketing budget on SEO because of this statistic would be missing the deeper point beyond the surface.

Social media has become an integral part of the algorithms that decide where a particular website is placed in the search rankings. The higher the ranking the more visible it is to the consumer. One of the core questions behind this research was to find out what impact social media is having on the hotel sector. The weighting that these algorithms place on social media when deciding on rankings is quite secretive but experts in SEO believe the effect is growing. The more reviews on TripAdvisor, the more friends on Facebook, the more Twitter followers et all… a hotel has the more likely it is to be displayed more prominently in the returned results of a search engine.

Traditional marketing was a one way conversation with the product or service provider supplying the consumer with information hoping to entice the consumer into a purchase. Social media has changed that dynamic very much into a two way conversation. WinHotels should seek to use it to create brand ambassadors, encourage guests to speak out about their stay with the hotel. The more they review/tweet/post about the hotels the more the search engines pay attention. To expect to control what the clients are saying would be naïve but to ignore that this is already happening is foolish. Former guests are already posting reviews to TripAdvisor, not everything said is positive. The effects of these reviews on consumer purchasing decisions has been studied and seen as having a noticeable impact both positive and negative by companies such as Nielsen[82] and Deloitte[83]. These reviews and critical comments are being left unanswered to speak for themselves. Careful and tactful attention to these comments can potentially turn negative to positive.

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[80] "Top Referring Sites for Hotels by WIHP -." Hotel Marketing Blog - Mirarmedia by Martin Soler. June 30, 2011. Accessed July 15, 2011. http://www.mirarmedia.com/2011/top-referring-sites-for-hotels-wihp/.

[81] Analyzing the Real Source of Hotel Bookings - WIHP Magazine | WIHP Magazine." WIHP Magazine | Professional Online Marketing for Hotels. June 23, 2011. Accessed July 15, 2011.

[82] Nielsen: Global Consumers' Trust in 'Earned' Advertising Grows in Importance." Nielsen: Global Consumers' Trust in 'Earned' Advertising Grows in Importance. April 10, 2012. Accessed July 17, 2012. http://www.nielsen.com/us/en/insights/press-room/2012/nielsen-global-consumers-trust-in-earned-advertising-grows.html.

[83] Deloitte: Hospitality 2015." Deloitte. 2010. Accessed July 15, 2012. http://www.deloitte.com/assets/Dcom-Kenya/Local%20Assets/Documents/Deloitte%20Reports%20-%20Hospitality%202015.pdf

The ability to interact with the guests of the hotel should be viewed as a very positive aspect by WinHotels. It offers very real insight into how the hotels are viewed. The feedback shared on the review sites such as TripAdvisor are an opportunity to improve the service offering.

Measuring the affects that reviews, tweets and posts can directly have on bookings could be quite difficult. Instead carefully creating a set of key performance indicators (KPI) right at the earliest planning stages of a marketing campaign is a must to being able to measure success. These should be based around the social mentions of WinHotels in retweets, posts and reviews across the social media platforms instead of direct bookings.

In conclusion the ability to reach out to such a huge volume of potential guests would make ignoring social media a poor business choice. The other side of the coin is that potential for damage to the brand by reaching out in a haphazard fashion could be quite destructive and costly to repair. A well planned and coherent marketing strategy is needed to limit potential damage and give the chance of succeeding greater odds. It would be wise to consider hiring a qualified dedicated member of staff or to consult with an outside agency or expert from the earliest stages to avoid negative outcomes. Overall any attempts to engage with the guests on social media should offer them added value to encourage them to engage with WinHotels, creating brand ambassadors to forward a positive message about the brand.

3.2 Recommendations

1. I would recommend WinHotels begin using social media as part of its marketing activities. Section 2.7.2 details three levels of intensity with which it would be possible to engage and the activities associated with each level. Consequently I would recommend at least a social media engagement at Level 2.

   This level would involve the active monitoring of social media sites for mentions of WinHotels and responding where necessary. It would also require the management of social media accounts across the main sites, meaning that the sites could become a useful resource for guests looking for information on Amsterdam or last minute deals on unused room inventory. The social media strategy section (2.7.2) outlines a more detailed description of the levels.

2. It is also recommended that offline and online marketing strategies be brought into alignment to prevent mixed messages and to promote the availability of the online forums for interaction. Offline advertising should be used to complement the online media. Adding "visit us on Facebook" and other such texts to promotional material will help to raise

awareness. Raising the profile of WinHotels on the various social media platforms has the added benefit of increasing visibility on organic searches on Google and other search engines of the WinHotels brand.

3. The very minimum interaction that WinHotels should consider is to treat TripAdvisor as an influential means of reputation management. At present reviews whether they are bad or good, are left unanswered. As search engines now use social media more as a basis for search rankings the need to address these poor reviews becomes more pressing.

    A scathing review left unanswered is read by each person viewing the hotel on TripAdvisor. With an open and transparent approach to customer service and reputation management the damage caused by the review could be limited or even reversed. Fewer travellers are relying solely on marketing material produced by the hotel to make decisions. Instead they are influenced by independent reviews. These can be quite damning of the hotel but can also highlight areas in which the hotel needs to improve. Contacting recent guests with follow up communication containing links to where they can post reviews of their stay has the benefit of providing invaluable feedback to the hotel and also helping search engine page ranking by creating further mentions of WinHotels. By monitoring the conversation and joining where necessary, the consequences of any negative comments can be mitigated online and dealt with at source in the hotel.

4. Customer service is perhaps the area in which social media could provide the most benefit. Encouraging guests to interact via social media is a way of consolidating the customer service needs from the 11 hotels spread across Amsterdam into one focused point. Potential clients could view the interactions, potentially reducing their need to ask the same or similar questions. It would also allow WinHotels to view all queries from all its hotels in one place. A centralised customer service / concierge point would enable a more co-ordinated and coherent customer service for the brand as a whole.

5. Incentivised interaction is one way in which many hotels are encouraging guests to like, join or check-in with them on social networks. A free drink in the hotel bar, upgrade or other incentive for joining has become standard practice in many chains.

6. In order to get the most from a social media marketing campaign I would also recommend that WinHotels consider the use of a service such as Reinvate to monitor the impact of any campaign. Its centralised structure is an effective time saver as it combines all monitoring and publishing tools in one place and crucially allows performance reports to be easily produced, highlighting the selected KPIs. It also allows comparisons between properties in

the WinHotels portfolio or against competitors for comparisons on various levels of customer satisfaction or price per night as garnered from OTA reviews.

7. The social media strategy should sufficiently flexible to allow it to adapt to new developments and to determine what works and what does not work. A dedicated social media co-ordinator is recommended to monitor the impact of any changes implemented. A dedicated co-ordinator would also allow for consistency in communication. At the very least a profession agency experienced in social media marketing should be consulted at from the earliest planning stages.

8. It would be wise not to underestimate the costs associated with marketing on social media. Though the potential to reach a wide audience is both immediate and as simple as opening a Facebook account it should not be undertaken lightly. A serious point to be remembered is the potential for damage to the brand going viral across the internet. Repairing this damage could cost considerable money and effort. Sufficiently qualified staff would need to be hired plus the costs associated with training other staff using the company accounts would need to be factored in. These costs are beyond the purview of this report and further research in this area is highly recommended.

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Appendix Contents

Appendix I Sample Social Media Policy

Appendix II Research Proposal

Appendix I

A sample social media policy

By Daniel Edward Craig

1. Objectives

The company is committed to utilizing social media to enhance its profile and reputation, to listen and respond to customer opinions and feedback, and to drive revenue, loyalty and advocacy. We encourage employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this policy.

2. Definition

For the purpose of this policy social networking refers to the use of web-based and mobile applications for social interaction and the exchange of user-generated content. Social media channels include Facebook, Twitter, LinkedIn, YouTube, Flickr, blogs, review sites, forums, online communities, location-based networks like foursquare and Gowalla, and any similar online platforms.

3. Key Contacts

Employees are encouraged to become fans and followers of the company's profiles and to share company-generated content within their personal networks. However, the company's channels are administered by designated key contacts only, and all official messaging must be approved and distributed by them. If you have content you wish to share via these channels, please forward it to them for review.

4. Conduct

Rules of conduct as outlined in the employee manual apply to social networking activity. Employees are expected to conduct themselves in a professional manner, to respect the views and opinions of others, and to demonstrate respect for the company, its ownership, clients, guests, vendors, employees and competitors.

The company and its employees are committed to conducting ourselves in accordance with best industry practices in social networking, to being responsible citizens and community members, to listening and responding to feedback, and to communicating in a courteous and professional manner.

Behaviour and content that may be deemed disrespectful, dishonest, offensive, harassing or damaging to the company's interests or reputation are not permitted. The use of social media channels on company time for personal purposes is not allowed.

5. Transparency

The company is committed to honesty, authenticity and accountability in all social media communications. Employees must disclose their identity when engaging in discussions or sharing content related to the company. If voicing an opinion on a controversial topic, employees must include a disclaimer stating that the opinions expressed are their own and not those of the company or its employees.

6. Confidentiality and Copyright

Employees must not disclose private or confidential information about the company, its employees, clients, suppliers or customers on social networks. Employees must respect trademarks, copyrights, intellectual property and proprietary information. No third-party content should be published without prior permission from the owner.

7. Enforcement

The company maintains the right to monitor company-related employee activity in social networks. Violation of policy guidelines is grounds for discipline up to and including dismissal.

8. Rolling out your policy

Have the policy reviewed by human resources professional and a labour lawyer to ensure it conforms to company policies and local employment standards. Once finalized, review the policy at a staff meeting to ensure it is fully understood and ask employees to sign it. Don't forget to include outside contractors.

Note that this is a general policy intended for all employees. For administrators of social media channels dedicated training is recommended, along with more detailed guidelines outlining strategies, best practices, tone, vocabulary and frequency of content, and guidelines for responding to feedback are recommended.

For sample social media policies check out the www.socialmediagovernance.com

WIN HOTELS

Win Hotels Group:

Effectively implementing a social media marketing strategy in the hotel industry

IRP Proposal
John Sullivan
451370

Table of Contents

Title

The title is of my IRP will be: "Effectively implementing a social media marketing strategy in the hotel industry" using the Win Hotel Group as an example.

Background

The reason for this research project lies in the growing popularity of social media and its usage in the travel and in particular the hotel industry in attracting customers.

Most travel industry websites are linked to some variety of social media site, be it Facebook, Twitter or any number of other sites of varying popularity. With the explosion in the usage of social media by travellers and their willingness to voluntarily post updates to their "friends" regarding their experiences it would be unwise to ignore the potential of incorporating social media into your communication with potential clients. Many businesses have used varying approaches in incorporating social media into their overall marketing strategies. There have been many successful and failed attempts.

My proposal is to study the application of social media in this industry and to make a recommendation for the implementation of a social media strategy to fit in with the organisation's other marketing strategies. There has been much previous study done in this field and although most is still relevant, given the rapidly changing nature of this area of marketing it may need to be reassessed.

The Win Hotels group is a chain of Hotels based in Amsterdam with little presence on social media channels. They are interested in finding out how other hotels are using social media to attract guests and in how they could implement a strategy to attract guests using these marketing channels.

Problem Statement

The problem is how to increase consumer awareness and interest in the Win-Hotel Group among potential travellers to Amsterdam using a co-ordinated social media strategy. The overall aim is to see an increase in the number of internet users interacting with the various social media platforms, visitors to the hotel website and an increase in bookings over a longer period.

Research and Objectives

The objective of the project will be to implement a social media marketing strategy capable of attracting internet users to make bookings with the Win Hotels Group. In order to achieve that the research project will be split into three main parts:

1. Investigate the current and predicted future trends in the hotel industry with regards to social media using online and text based sources
2. A look into potential social media strategy options open to Win Hotels with examples of where they have been implemented by others where possible and a
3. A study of the potential implementation of the most suitable strategy available to Win Hotels and a plan to test its effectiveness once implemented.

The first part of the research project will be to identify the trends affecting the travel industry now and those that are expected to impact on travel booking habits over the foreseeable future. With a majority of tourists now booking online, 74.7% in Q1 2011 according to www.travelclick.com[84], investigating the sources and trends affecting these bookings would be prudent. A couple of questions of major importance will need to be answered:

- Do tourists coming to Amsterdam use social media?
- Which social media do they use?
- How did they make their hotel selection when booking?

The significant role that social media has come to play in most people's daily life has seen a spectacular rise from practically nothing only a handful of years ago to many people unable to pass a day without some form of interaction on social media networks.

In order to focus efforts on the most viable and pertinent of these sites an investigation of the role various sites are playing within the industry will be looked into.

With the information gathered from the investigation the final part of the IRP will be to look into the various strategies available when implementing a social media plan. The practicalities involved in the implementation of such a plan will be evaluated and a final suggestion of how to proceed will be offered.

Research

Research will take several forms. As well as the ubiquitous textbooks available on the subject of marketing I will also focus on online sources. The textbooks will be used for grounding within the marketing realm.

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[84] http://www.travelclick.com/information-center/bookings-by-channel.cfm#Q1_2011

Online sources will be used to give a more up to date perspective on the ever changing landscape of social media in particular for recent statistics regarding bookings online versus offline and the influence of social media on these bookings. Blogs, journal and articles from respected sources will give insight into the current usage of social media and trends within the hotel industry and how they are used with / instead of traditional marketing channels and frameworks. I will also seek out case studies reflecting the purpose of this IRP; building a successful presence for a hotel group on social media.

I will also perform a survey of tourists at some of Amsterdam's main tourist spots to gain a direct and clear answer to the role social media will play on their vacation from booking through to returning home. Some of the issues needing clarification will be:

- The role that internet sources played in the choice of hotel for their trip
- Whether social media played any part in their selection
- How often they will check social media sites per day while in Amsterdam

Timeline

	Objective	Start	Finish
Research Proposal Literature Review	Proposal & Research	15.6.2011	21.2.2012
Research & Beginning of Report	Research & Reading	22.2.2012	1.4.2011
	Combining of research results and analysis		
	Beginning of report writing		
	Formation of strategies		
Evaluation	Evaluate Strategies		
	Conclusions and potential		
Conclusion	Finish rough draft	1.4.2013	1.5.2013
	Final draft and recommendations		

Resources

Financial

No financial resources are required for this project. Research will be done using predominantly online sources and available text books.

Support

Win Hotels marketing Manager Moon Liu Peng will offer support and assistance.

Data

Data will be sourced from the multitude of online sources available regarding the hotel industry in general and the tourism industry in The Netherlands.

Equipment

No equipment other than a computer and internet connection will be needed.

References

Due to the fast paced nature of the industry the most up to date analysis of the industry will be available from online sources. Facts and figures such as tourism number and the number of users active on online social media will be drawn from sources such as the Netherlands Board of Tourism and Conventions.

There are a wealth of online sources dealing directly with the travel industry in general and online travel in particular such as www.hotelmarketing.com, www.travelclick.com, and various other industry related websites as well as blogs and journals by respected marketing gurus such as Naufel Vilcassim.

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