

# Key Issues in Use of Social Networking in Hospitality Industry:

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## Introduction

The number of the Internet users increases every day. Tourism & hospitality are so sensitive to online information. The customers are now able to communicate with other customers, read their reviews, search for travel destination, bargain for the prices, find the competitors and connect to all organization involved in tourism. Three main factors, "information acquisition, social-psychological and hedonic" are the most beneficial parameters for online travel community users (Chung 2008). Social networking sites introduced to online society on 2003 and since then it has faced a phenomenal increase in number of users. The customers share their idea, pictures, videos, recommendations, reviews and stories while try to develop relationship with family, old friends and new virtual friends. There is a strong force for hospitality industry to change its technological and communication strategies to adopt their firms to recent popularity of social media. However, this paradigm shift should be made carefully and the potential impact should be examined wisely. There are two sides to the use of social networking. First, it can be a valuable tool to collect consumer feedback that is used to attract new customers and keep current customers by creating strong and effective customer relationships that strengthen the loyalty to the brand. However, if not used carefully social networking has the potential to destroy consumers' faith and the market value of the brand Kasavana affirms this by stating that:

*"While social networking can help strengthen guest loyalty and satisfaction, it can also lead to unfair negativity, inaccurate information and undue criticism. When input is mostly anonymous, as it is with many social platforms, participants are likely to have a polarized*

*stance, opinion or critique. The trend toward social networking offers an unprecedented opportunity for hospitality firms to garner a competitive edge by analyzing submitted feedback, contemplating constructive advice, and determining how best to enhance a guest's experience."* (Kasavana,2008)

If a business wants to be active in web 2.0 environments, participating in online communities should be considered in its business model. Creating relationships and contracts in social media often is rewarded by "abstract concept of social capital". The structure of online relationships has the most influence on generating of social capital. This concept is important in creating sustain and beneficial community (Ganley, 2009). Another factor which has an effective role in successful operation of an online community is proper understanding of the community and its members (Kim 2004).

Like any type of technology, social networking has its own issues for managers. In 2001 Cornell hotel school conducted a study to figure out the key issues of concern for lodging managers. They found out the following five other areas, in order of frequency: (1) understanding the customer, (2) effectively using capital, (3) aligning stakeholders' interests, (4) using information technology, and (5) valuing brands (Enz 2001). Social networking has many different factors which included information technology, valuing brand and understanding the customer. So it has at least three factors of most concern parameters of lodging managers and of course it has its own issues.

In this article the hospitality professionals has been asked to name and then rank the key issues in social networking in hospitality. For doing the research two rounds Delphi method were used. The concepts are from Key issues in information systems management: 1994-95 SIM Delphi results. From 80s the society for Information Management, has periodically surveyed its members to determine the most critical issues in IS management. In this article the Delphi method employs a series of linked questionnaires. Successive rounds of

questionnaires summarize subjects' responses to the preceding questionnaire and ask respondents to re-evaluate their opinions (Brancheau 1996). This research's employed survey and interview methods are outlined in Methodology part. These surveys are important, because with the increasing rate of using social networking in hospitality firms, professional societies such as AH&LA (American Hotel & Lodging association), HFTP (Hospitality Financial & Technology Professionals), as well as IT directors, consultants, educators and researchers all need to be aware of key concerns and issues which hospitality firms may face with implementing and using social networking.

### **Methodology**

To conducting the article's goal two-round Delphi method was used. For the first round interviews were done with 5 people. They are involved in social networking in a hospitality company. Three of them are from sales & marketing department, one is director of group sales and one is a social networking consultant for hospitality companies. Four of the interviews were done on October 13th 2009 in a HSMAI (Hospitality Sales and Marketing Association International) meeting during a social media lecture in Philadelphia. Each of them was asked to list the key issues that they have faced in social networking in their firms. The last interview was done with a director of group sales which author knew about his activities in social networking for hospitality firms. The first round ended up with twelve different issues. For the second round these twelve issues were listed in a random order and sent to 140 HFTP members. These people were selected randomly from HFTP members (excluding students, professors and financial experts). They were asked to rank the issues from 1 to 12, where No. 1 indicated their highest priority issue and number 12 indicated the lower priority issue. The survey used a closed form with no space provided to write in additional issues. Useable responses were received from 30 respondents, yielding a response rate of 21 percent. In term of industry representation, the majority of participants are from

Hospitality (64 percent), then IT companies which serve hospitality firms (13 percent), travel & tourism (10 percent) and 10 percent from other companies (for example private clubs). In terms of position held, the majority of respondents are IT director (37%) and marketing director (26%) and then directors of other areas (10%). The high percentage of directors adds value to the study's findings.

## Results

The second-round results are shown in table 1. In presenting the results, the first five key issues are discussed to clarify the terms and provide insight into the importance of the issue.

Table 1- Key issues in social networking framework

rank	Key issue	Mean ranking	STD deviation
1	Having enough resources (people & time)	2.82	1.94
2	Contents and relevance	3.41	1.97
3	Alignment of social networking trends and company's goals	3.82	3.18
4	Promote to the customers	5.86	3.23
5	How much is enough?	6.09	3.19
6	Participate often	6.55	2.92
7	Staff knowledge	7.18	2.38
8	Training	7.27	2.33
9	Facing the risks	7.50	2.92
10	No privacy and potential common law liability	8.00	3.18
11	Limited access to social networking sites in most companies	9.23	3.02
12	Interruption of customers dialogues by companies	10.27	2.21

### #1 Having Enough Resources (People & Time)

Social networking is time-consuming. Another ongoing study of the author shows that more than 80 percent of facebook users check their pages more than once a day and average social networking user is spending 20 Hours per week. The numbers show that the pages should be updated even more than once a day. It is critical to understand that an old and dated social networking page is much worse than having none. The current financial situation and maybe

the underestimation of the social networking's power, prevent the managers to assign full-time employees just to update their social networking. One of the participants had this say:

*"The main issue we face and I have faced in my previous property is identifying a person to stay on top of it. Once a property begins a blog or uses Twitter/Facebook - it is important to keep up to date with messages, status, etc. That can be a full time job and with the economy the way it is and staffs already being cut slim there really isn't the time needed for an employee to dedicate to updating these social networking forums."*

Currently if there is any social networking for the companies, usually some employees have to take care of it above their everyday jobs.

## **#2 Contents & Relevance**

Social networking for a business is totally different from personal social networking. For a business contents are more important and when something is published in a social networking page, there is no way to stop it, even if it was deleted seconds after publishing. Also social networking is more than a simple sales & marketing channel. The updates in a business networking page should be relevant and beneficial for the company. Also the contents should be accessible to right target market, and also meet laws and regulatory requirements. Above all, it should be interesting and attracting to the other users.

One of the first round respondents believes:

*"I have read numerous studies that a large majority of people that sign up for twitter stop using it within months. Is there enough relevant content to keep people interested in following a hotel on twitter?"*

## **#3 Alignment of Social Networking Trends & Company's Goal**

The person who is responsible for social networking first has to know what the company's objectives are. Then the hard question comes next. Is the social networking opportunity is

aligned with the objectives? Answer to this question is really critical. It is possible to invest lots of time and money and gain nothing at the end. Just because that media was not suitable for the company's purposes and it didn't add any value to the firm.

#### **#4 Promote to the Customers**

Social networking is all about forming relationships with the customers and contacts. The most important thing here is to have a clear idea of who the company's audience is and what do they actually want. There is a relatively easy pattern for small business. Social networking friends can be turned to potential customers and be a new source of online revenues. For the big companies there is no fixed and safe strategy yet.

#### **#5 How Much is Enough?**

This issue has two sides. How much is enough for the company and also how much is enough for the customers? There are lots of questions here without any precise answer. Is it essential to use all the social networking sites? Is the company now "over-connected"? How much is the customer's tolerance for adding more texts, emails, advertisements, promotions and updates?

One of our respondents thinks:

*"On the hotel side, people do not seem interested in taking on another task and on the guest side people do not seem interested in adding to their things to check into.*

*So how much interest is there on this?"*

Also there is another critical point with size. The "issue of scale" in social networking is about the number of members.. Small social networking can be effectively useful and the company does not have to deal with facebook-level communities to generate greater loyalty and access to audience availability.

#### **Other Issues**

In addition to the top 5 issues above, there are other major issues which experts have faced in social networking. Participating often is one of them. The nature of social networking is so dynamic. The pages should update frequently and the comments and posts should be tracked. These tasks are time consuming. Staff knowledge and training are next two critical issues. Staff may know how to use social networking for personal purposes, but their knowledge about business social networking (and as mentioned before their knowledge about company's objectives) may not be enough and they should be trained before launching any page. This is why staff knowledge and training are ranked exactly one after another and they are tight together. These issues are followed by security issues. This ranking is because of nature of social networking.

### **Conclusions**

Social networking is not a casual interaction and relationship with customers. Businesses all around the world noticed the power of social media. Social networking is not just used to attract consumers, but also it has been used to create large public relationships, hire professionals, market the product or service and also find a bargain price from suppliers. Hospitality as one of the most customer interactive industries is interested in social networking. As any other technology it has its own issues and challenges for managers and employees in hospitality firms.

In this study number of experts ranked the key issues in social networking in their firms (mostly hospitality). Based on the current economic situation, almost all of the respondents believe that lack of resources (time & people) is among the most critical issues which they have faced in their companies. Also contents & relevance is one of the most important concerns. The updates should be relevant, interesting, attractive and beneficial for the firm. Then there is another issue that is true in all the company's decision. The new investment should be aligned with the business's objectives. Social networking should help the firm to

achieve company's strategic goals. The next issue is promoting the business social networking pages to the customers. Finding and attracting the target market in social networking is not an easy task, especially when it is combined with the next issue. The big question is how much is enough. The businesses are not sure about the tolerance of customers to hear more and read more. These key issues are followed by several other issues which are related to staff knowledge and training, security and privacy concerns and limitation of access to social networking websites in some companies.

Social networking in hospitality is a young concept and as it goes further, the managers and experts may face more issues. Also the ranks of issues will change if the economic situation changes. Turbulent periods of change in social networking demand fast responses and also careful decisions. So the managers should be aware of benefits of social networking and also its issues and challenges to be able to use it in the best way for their firms.

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