Social media marketing in hotel organizations and the process of creating value in a cross-cultural environment - an international case study

The development and usage of information communication technology (ICT) such as social media channels has rapidly changed the tourism and hospitality industry since it both ease the travellers need for information and helps the hotel organizations to spread information to guests all over the world. Therefore, the tourism and hospitality industry can today be seen as an electronic business or e-tourism. The focus of this international case study is hotel organizations and their usage of e-relationship marketing and social media marketing in a cross cultural market. The study includes interviews with 22 hotel managers at 14 hotels in 7 European countries. The purpose is to explore and develop a greater understanding of how hotels in this case study market themselves in social media and practice e-relationship marketing, but also to study the process of creating added value by using cross-cultural e-relationship marketing.

Introduction

The development and usage of information communication technology (ICT) such as social media channels has rapidly changed the tourism and hospitality industry since it both ease the travellers need for information and helps the hotel organizations to spread information to guests all over the world (Nga and Guillet 2011). Therefore, the tourism and hospitality industry can today be seen as an electronic business or e-tourism (Gretzel and Fesenmaier 2001, Vuori 2012). As a result of globalization and growth of transnational corporations it becomes more and more significant in both understanding culture and developing cross-cultural marketing strategies. (Keegan 1984; Usinier 1993; Weiermair 2000). The hospitality industry is also affected by the growth of international travel and information technology development (Kriegl 2000). The last decade’s development of ICT and social media has dramatically changed how hotel and tourism industry produce, market and deliver their products and communicate both internally and externally (Leung et al. 2013). ICT has become an invaluable tool in the hospitality industry that requires knowledge of trends (Buhalis and Law 2008; Kim and Fesenmaier 2008; Munar 2012). The new ways of communicating through social media has therefore changed how the hotel organization market itself and also changed the job of the marketers (Minazzi and Lagrosen 2014). New knowledge is needed for both the marketer such as the co-workers of the organization working with social media. Considering these trends, it is becoming more and more important to match marketing strategies with the expectations of the consumers (Minazzi 2012). Papacharissi and Yuan (2011) argue that both researchers and practitioners should have a cross-cultural perspective for social media research to be able to
understand the differences among countries and cultures that affects the understanding. The focus of this study is hotel organizations and the purpose is to investigate how hotel organizations market themselves in social media and thereby conduct e-relationship marketing in a cross-cultural market. Compared to other industries, hotel organizations are more restricted towards using social media in their marketing (Sigala et al. 2012; Leung et al. 2013). The use of social media increases in the hotel industry, but in comparison with other industries such as banks and airlines, the hotel industry has been more restrictive and therefore many hotels are in the early stages of developing and using e-relationship marketing through social media (Deloitte 2010). There is a need for hotel organizations to understand the suitable way to use e-marketing and social media in their marketing strategy (Minazzi and Lagrosen 2014). Relationship marketing within digital communication channels such as social media is referred to as e-relationship marketing and can be helpful in the process of co-creating value and interaction between the hotels and their customers (Grönroos 2008; Nga and Guillet 2011). Grönroos (2008) argues that the interaction process is the fundamental part of relationship marketing and emphasizes that it’s in this process that value is created. It’s important to take into consideration that the hotel industry is constantly changing as new actors persistently enter the market and increases the competition. As the hotel industry is sensitive to trends, has an extremely high competition and very flexible clients, marketing thorough e-relationship marketing and social media has become an important role in creating relationships with the hotels’ customers (Nga and Guillet 2011).

1 Earlier research - is there a gap to fill?

The field of relationship marketing in a traditional context has been the object of comprehensive research, but there are still gaps to fill regarding the overall understanding of e-relationship marketing. What do we know about the hotel industry and its usage of e-relationship marketing? Earlier research of the hotel industry and its use of e-relationship marketing has focused on two fields. First, the consumers’ perspective, how customers are using social media, creating so-called Wikipedia and evaluation systems (Sigala et al. 2012, Leung et al. 2013). Second, there’s research that has focused on the industry’s use of social media marketing and the effects of this (Sigala et al. 2012). Lynn et al. 2011, Munar 2012 and Sigala et al. 2012 call for more research in e-marketing and hotel organization and believes that a greater understanding of both the problems and opportunities that exist with e-marketing, and a greater understanding is needed of how leadership affect strategic change as hotels and tourism organizations undergo in the adoption of ICT and social media.

1.1 Purpose and research question

The focus of this study is hotel organizations and their usage of e-relationship marketing and social media marketing in a cross cultural market. The purpose is to explore and develop a greater understanding of how hotels in this case study market themselves in social media and practice e-relationship marketing. In order to fulfill this aim the article seek to answer following research questions:

RQ1: How does the hotels within the hotel chain, in the study called “International hotels” market themselves in social media?

RQ2 How could the process of creating added value by using cross-cultural e-relationship marketing be described and understood?
1.2 Case study

The study is a part of a PhD thesis and focus on 14 hotel organizations within an international hotel chain, in this study called “International hotels”. The usage of social media is relatively new at the hotels. Until 2013 the hotels were not allowed to use social media in their marketing which makes them quite novice when it comes to social media marketing. The hotels are responsible for what type of social media they choose to communicate through but receive social media guidelines from the marketing head office, and the social media manager. The choice of hotel chain is based on the fact that the hotel organizations are in the beginning of the process of using, learning and adoption social media marketing and e-relationship marketing, but also on the fact that the hotel chain is a part of a large, international hotel co-operation. The overall aim for the PhD thesis is to do a qualitative, longitudinal study of the organizational learning process of the adoption of social media within the hotel organizations.

1.3 Methodology

An explorative, qualitative approach was chosen for the case study, to be able to explore and develop a greater understanding of e-relationship marketing. The choice of method is based on the fact that qualitative research method can help to create insights and identify key variables in the research questions (Malhotra and Dash 2009). The methodological approach in this study is interpretive and can be characterized as hermeneutic (Alvesson and Berg 1992). Case studies can be appropriate in studies that intend to answer questions like “why” and “how” and is descriptive in nature (Yin 1998). In total, 22 semi-structured interviews at 14 different hotels in 7 European countries (Denmark, Finland, France, Italy, Netherlands, Norway, and Sweden) has been carried out with marketing managers, sales managers and hotel managers (people responsible for social media activities) in the hotels. The interviews took place at the different hotels August –December 2014. The interviews were recorded and then transcribed (Bryman 2008). The themes for the interviews was focused on the usage of social media marketing in the hotel organization. Thereafter, the interviews have been analyzed using a qualitative analysis. It should be pointed out that no study of the marketing material published in social media has been done.

2 Theoretical framework

2.1 Electronic marketing in a global environment

Electronic marketing (e-marketing) on the internet has dramatically changed how companies can market and sell their products, build and preserve their brands and also develop relationships with their customers (Luck and Lancaster 2003; Luck and Lancaster 2013). The development of information communication technology (ICT) has been crucial for the development of e-marketing, making it possible to communicate through digital networks like social media platforms. Organizations ‘ desire to establish and maintain relationships with clients has been simplified because new technology has made it easier not just to spread digital messages but also to interact with customers online. So summarize, internet has created new opportunities both to create and to preserve relationship with customers (Bauer, Grether and Leach 2002; Gilbert and Powell-Perry 2002; Sigala et al. 2012; Luck 2013). The development of internet and information technology has fastened the progression of globalization and global, cross cultural markets. Tian and Lan (2010) argue that it’s important for marketer to be aware of cultural differences between markets and customers to succeed in a global marketplace. The authors suggests that for e-marketing to become e-commerce to become effective, marketers must ensure that customers from different cultures, using different languages can understand the digital messages.
2.2 From relationship marketing to e-relationship marketing

Although the development of internet and communication technology has changed marketing, the focus of marketing started changing already in the early 1990’s. Researchers argued that marketing was facing a new paradigm called relationship marketing (RM), where the main change was that there would now be a focus on creating relationships with the customers and keeping them (McKenna 1991; Christopher, Payne, and Ballantyne 1991; Grönroos 1994; Buttle 1996; Gummesson 1996). This to be compared with traditional marketing activities that focused on attracting customers to interaction with customers (Kaplan and Haenlein 2010; Xiang and Gretzel 2010). The traditional one-way communication has therefore to a great extent been replaced with two-way communication (Kotler et al. 1999). The goal of relationship marketing is to create long-lasting relations, not just with the customers but with suppliers and the stakeholders (Grönroos 2008). Nevertheless the core of these activities is to create loyal customers which is one of the best advantages towards competition (Grönroos 1994; Reinartz and Kumar 2003; Ryals 2003). Loyal customers are known to buy more frequently, reduce marketing cost, show less sensitivity to price, and bring in more recommendations through positive words of mouth (Hennig-Thurau, Gwinner and Gremler 2002; Payne and Holt 2001). An essential element of relationship marketing is the creation and addition of value that can increase customer satisfaction (Ravald and Grönroos 1996). Grönroos definition of the added value is that the customers, after having been assisted feel more pleased that before (Grönroos 2008). The value added, or created is generated when interaction takes place between the organization and the active customer. Therefore e-relationship marketing should be described as a value co-creation process where the customer and organization exchange skills, knowledge and information (Vargo and Lusch 2004; Prahalad and Ramaswamy 2004; Grönroos 2008; Payne et al. 2009). The traditional international marketing strategy is according to Tian and Lang (2010) different from e-marketing since the messages rarely can be developed and specific for a certain geographical market. Electronic marketing material reaches all followers e.g. in social media, and therefore need to be adjusted to be understood and interpreted in the right way by all followers.

2.3 E-marketing in hotel organizations

The hotel industry has been using ICT since the 1950’s, developing new booking systems, administrate work and communication, all with the purpose of creating added value for guests. Most hotels reach out to a global market, welcoming guests from different countries and cultures. Today’s technology make it possible for the guests to seek information about hotels all over the world, book and review, by using the internet and social media (Buhalis and O’Connor 2005; Nyheim et al. 2005; DiPietro and Wang 2010). Despite the long-time usage of ICT, hotels has been restricted towards using e-marketing and social media marketing (Sigala et al. 2012; Leung et al. 2013). An explanation for the cautious attitude is the uncertainty about the expected return on investments (ROI) of an e-marketing investment. Law and Lau’s research from 2000, show a low level of knowledge of hotel managers in terms of knowledge and understanding of IT, which according to the authors is a factor that affects the (compared to other industries) relatively slow development and investment in IT and social media in the hotel industry. Aguila-Obra (2006) and Sigala et al. (2012) argue that it is only when IT and social media is looked upon as a part of the entire hotel organization and not as an isolated phenomenon that the ROI of an investment will be made visible. E-marketing in social media has increased the visibility of the hotels but they have also led to an increased demand to understand and master the new technology (Munar 2012). It’s not just marketers who are faced with new knowledge, even the organization’s other employees are faced with the challenge to use of social media (Kaplan and Haenlein 2010).
3 Findings

3.1 Social Media

Social media channels is the natural choice for all of the hotels in the study to perform e-relationship marketing. Since all 14 of the hotels in the case study are a part of the same hotel chain, they have all followed the hotel chains directions not to use social media until 2013. Therefore all of the hotels are in the beginning of their implementation process of social media. All of the hotels use Facebook and many of them use Instagram, these two social media application are often connected, showing published content in both channels. Several of the hotels have a twitter account but few of them actually uses it and explains this with the fact that they haven’t fully embraced the communication channel and also that twitter takes a lot of time. Several hotels use and define LinkedIn, Youtube and Google+ as a social media channel. None of the hotels uses blogs to market themselves. In all of the hotels, one person, or a “social media team” is responsible for the social media activities and the posts that are published. Many of the hotels underlines the importance of quality and therefore have strict quality control before photos and other posts are published. All of the hotel still uses traditional marketing but have stopped or decreased the usage of print media and advertisement in e.g. newspapers, arguing that it cost much and give a very uncertain outcome. The interviews reveals that few of the marketers consider the cultural factors when posting e-marketing material in social media. The answers differs when it comes to describing why the hotel uses social media and what the advantages is:

“We take note of how one can work, but then we maybe have a more personal approach. Brussels has to somehow consider the cultures of many countries. But you still have to find your own tone, I think in some we need to find out who we are [as a hotel organization] because then it becomes exciting. But of course , we have learned a lot from him [social media manager] too and of the workshops and stuff. But I also think that it’s really quite banal because social media is the kind of thing we have done in all ages, responded to comments . In the past, we received a letter to the hotel and so I wrote a nice letter back and sent a gift but today, the comments on the web but the difference is that they are transparent and everyone can read them, but the part is so … there is no hocus pocus” (Hotel manager 1)

Some of the managers, in charge of social media at the hotels, thinks that the main purpose of using social media is to spread the information and marketing material produced by the hotel while others look upon social media channels as a possibility of interact with customers and also an opportunity to learn more about what the hotel guests like and what they post when living at the hotel. The return on investment (ROI) causes a lot of concern at many of the hotels and they are all very insecure of what the social media marketing contributes with.

“everything should be measured...we need to know return on investment on everything we do. You always ask what’s the return on investment, that’s the most important thing. And from Facebook, it’s quite hard to measure. Do the guests book after seen our Facebook page or? We don’t know.” (Sales manager 2)

Many of the informants expresses that its time consuming to work with social media and complain about that they have to do the social media tasks above all other work tasks. Therefore the social media activities often get put aside. The informants describe that the hotel industry likes and have a tradition to measure effectiveness and sales in numbers and since it is very difficult, or impossible, to quantitatively measure the effects of social media the hotels are struggling with ways of reporting and analyzing the results of the social media implementation.

3.2 Content

What and when to post is of great concern for the hotels. Most of them try to plan their social media
activities but they express that it is difficult to fill the social media channels with interesting, fun and new material. They explain that the material should be understood by many groups of customers and are sometimes a bit concerned about the fact that the hotel chain want them to use English and not their native language. The content published by the hotels can be divided into two categories, material produced by the marketing head office that are distributed do the different hotels and that the hotels are expected to publish. This type of material often contains e.g. competitions, offers and activities concerning all of the hotels within the hotel chain. Many of the managers dislike this “by the concern” produced material, arguing that it has the nature of traditional marketing material and would be better suited in traditional media like newspapers or on websites. They also express that there is a cultural clash when it comes to the marketing content produced at the head office, explaining that they experience the material to be “too much business and sale” and explain this with different cultural values.

“Some weeks we have tons of content that we are happy about and then I’ll post daily but only one post on Facebook because otherwise it’s a bit spammy. But some weeks it’s lite more slow and it’s hard to find content I don’t just want to post something like happy Friday or something like that. I don’t really believe in that. But I we have some ideas on how create good content and then hopefully post daily on Facebook, weekly on Instagram, two to three times on twitter every day...” (Sales manager 2)

The other category consists of material produced by the hotels themselves. The managers all agree on that the quality of pictures and language is important but they disagree on e.g. how good quality pictures should have. Some of them argue that pictures taken with a mobile phone just isn’t good enough while others think that the mobiles gives the staff of the hotel a chance to “capture the moment”. None of the hotels are situated in a country who has English as their first language and that sometimes causes difficulties because the hotel chain social media guidelines advocates the usage of the English language. The informant’s expresses that this has caused some problems and they have tried to both use English and e.g. French or Italian in social media channels but see that this “destroys” the post with too much text to take in. As a result, many of the hotels has chosen to use English and as a result of this, they notice less interaction with non-English speaking, local customers. It is of great importance to the hotels to gain the local matters, promoting “their” city or country and the material published in social media often contains events and happenings in the local area. Many of the hotels also underlines it is of great importance to reach out to their local customers to attract local guests to their restaurants and bars. All of the informants emphasizes the importance of creating interest. The usage of storytelling unifies the hotel and is a concept they all emphasizes. The informants express that storytelling gives them an opportunity to create a relationship with the customers and generating interest. Recurring posts at many of the hotels are pictures and presentations of members of the staff such as “guest of the week” where specific quests are presented and interviewed. The hotels describe that they look at other hotels activity in social media to get inspired but also to learn and get more knowledge.

3.3 Interaction and user generated content (UGC)

The interviews with the informants reveals that there are two clusters, those who active seek for interaction with customers and those that don’t. The ones that do interact with customers are also active in looking at hashtags and pictures and posts published by their guests. They comment and share the posts and expresses that the user generated content is important when analyzing what the customer like or not. Some of the hotels expresses that the material produced by the user/customer (UGC) are better than the hotel’s own marketing material since it interprets as word-of-mouth by other customers and not as pure marketing with the aim to sell.

“you need to be in contact with your guests and know what they are sharing and what kind of pictures, stories and reviews they are sharing with their followers. So you need to be there. You get ideas and when the guest share their experiences in social media its free marketing. And that’s
important. And if you are on social media you need to be active. You need to do something. Because if someone is going to follow you and ok, nothing happens, the last post is five months ago, it’s not interesting.” (Marketing manager 6)

All of the hotels use a program that gives them an everyday report telling them how many “likes”, comments and reviews they have gotten. This is information that is used by the hotels to analyze customer behavior but also the service provided form the hotels. However, there is a category of user generated content that all of the hotels emphasize the importance of interact with, and that is the online reviews. They are all aware of that the hotels own ranking system has lost its importance and has been replaced by the user generated review on e.g. Mytravel.com. They all agree on that it’s important to answer, but how fast the hotels should answer divided them into different categories. The negative comments are quite few but of great importance for the hotels. The managers describe that since they can’t control the USG in sites like Mytravel, it is of great importance how they handle it. Some of the hotels do lots of research when it comes to why they have received a bad review, connecting the guest and offers them compensation.

4 Discussion

4.1 Social media in a cross-cultural environment

Although the hotels started using, and was encouraged to start using social media at the same time, the interpretation on what value social media can add to the customers differs within the hotels in the case study. Some hotel thinks that the main purpose of using social media is to spread the information and marketing material produced by the hotel which can be seen as a traditional one-way, push-marketing strategy (Kotler 1999; Grönroos 2008) only taking place in a new, electronic environment. Other hotels look upon the social media channels as a possibility of interact with customers and also an opportunity to learn more about what the hotel guests like and what they post when living at the hotel (Vargo and Lusch 2004; Prahalad and Ramaswamy 2004; Grönroos 2008; Payne et al. 2009; Grönroos 2008). When it comes to cultural differences, its most of all the language that the marketing managers takes into consideration. It sometimes worries them that they are supposed to use English instead of their native language and they express that they get less interaction with local customers due to this. This can be seen as an indication that the adoption and strategy of both cross cultural marketing and social media marketing is not yet fully developed. The hotels also “suffers” from cultural differences between marketing materials produced in the USA that are used in a European market. This indicates that the social media and e-marketing process is not yet taken into the hotel marketing strategy to its full extent (Tian and Lang 2010). One reason for this can be a lack of knowledge of interest and focus or knowledge from the hotel management (Munar 2012 and Sigala et al. 2012). Although it should be noticed that some of the hotels recently has implemented social media managers with full responsibility of the digital channels and put a lot of effort in embracing the social media channels.

4.2 Value creation

According to the empirical material many of the hotels are still in the process of figuring out and what kind of value it creates. The great diversity of content, from traditional push-marketing material, to “guest of the week” suggests that the hotels are struggling with their e-relationship marketing process and what content invites to added customer value (Ravald and Grönroos 1996; Grönroos 2008). The value added, or created, emerges when interaction takes place between the organization and the active customer and in this case study the interaction seems to take place mainly in the user generated content like reviews on Mytravel. (Vargo and Lusch 2004; Prahalad and Ramaswamy 2004; Grönroos 2008; Payne et al. 2009). I also understood hat one of the main reasons for using social media marketing, or e-relationship marketing was the hope for creating and
preserving the customer brand loyalty by increased interaction and personal service (Grönroos 1994; Reinartz and Kumar 2003; Ryals 2002). More value could probably be added and co-created with the customers by the hotels being interactive to an even higher degree. These activates takes time and it seems like there are not enough time for the marketers to interact, and also, the social media activities are postponed when other job assignments are considered more important.

Language is of great importance for the hotels and cultural differences both in how one should express oneself in marketing but also what language to use is causing the hotels some concern. By using English one could argue that the hotels satisfy and add value to customers from other countries and creates possibilities for creating a relationship with these (Grönroos 2008). Then again, using English in a non-English country creates a gap towards local customers and stakeholders and are forcing the hotels to choose what group to focus their marketing material on.

4.3 Interaction

There seems to be a discrepancy based on the nature of social media and the hotel organizations need for quality control. Social media is based on instant interaction, transparency and presence, conditions now always easy to the hotel organization to live up to (Sigala et al. 2012). What one could argue is that both the structure of the hotel organization and the traditional marketing strategy still plays an important role in creating value and e-marketing strategy in the hotel organizations. It also seems like the managers and staffs personal interest and knowledge in social media affects the social media activities and choice of digital communication channels. Informants that enjoy and are interested in social media are also more active and interact more. The personal interest in social media also seems to affect the choice of social media channels. Twitter for example is one of those channels that several informants has chosen not to use because they feel that they don’t completely understand it and/or never used it. Therefore one could argue that personal attitudes towards technology and lack of knowledge are crucial when it comes to what social media channels the hotel (Phillips 2007; Buhalis and Law 2008; Kim and Fesenmaier 2008; Munar 2012).

Conclusion

The purpose of this exploratory, qualitative case study is to achieve an improved understanding of e-relationship marketing in hotel organization in a cross-cultural environment by investigating how hotel organizations market themselves in social media and practice e-relationship marketing. I have studied how they organize their marketing activities, what social media they use and how they embrace the global interaction with the customer through these digital channels. I have found that the hotels in the case study are still in the process of learning how to use social media marketing, and to what extent they should interact with their global customer. It also seems like the hotel chain are struggling with cultural gaps within the global organization, causing some concern at individual hotels.

At the moment, the interaction from the individual hotels is focused on answering user generated content (UGC) like complaints and reviews, and few hotels are active when it comes to seek interaction with customers elsewhere and therefore one could argue that the studied hotels not fully use the potential of e-relationship and co-creation of value. The study has several limits, e.g. only one hotel chain has been studied and also, there has been no study of the marketing content used and published by the hotels. A qualitative and/or quantitative study of the e-marketing content is suggested as future research.

Literatúra/List of References


Kľúčové slová/Key Words

social media, marketing, cultural environment, e-tourism
sociálne médiá, marketing, kultúrne prostredie, e-cestovný ruch

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Résumé

Marketing sociálnych médií v hotelierskych organizáciách a proces vytvárania hodnoty v interkultúrnom prostredí - medzinárodná prípadová štúdia

Rozvoj a využitie informačných a komunikačných technológií (IKT), ako sú napríklad kanály sociálnych médií rýchlo zmenili cestovný ruch a služby zabezpečujúce komplexný cestovateľský servis, hlavne kvôli zmierneniu potreby cestujúcich po informáciách a pomáhajú hotelierskym organizáciám šíriť informácie pre hostí z celého sveta. Preto dnes môže byť cestovný ruch vnímaný ako elektronický obchod alebo e-cestovný ruch. Zameraním tejto medzinárodného prípadovej štúdie sú...
hotelové organizácie a ich využívanie vzťahového e-marketingu a marketingu sociálnych médií na interkultúrnom trhu. Štúdia obsahuje rozhovory s 22 hotelovými manažérm v 14 hoteloch v 7 európskych krajinách. Cieľom je skúmať a vyvíjať väčšie pochopenie toho, ako samotné hotely v tomto prípade skúmajú daný trh v priestore sociálnych médií a aplikujú v praxi vzťahový e-marketing, ale taktiež študovať proces vytvárania pridanej hodnoty pomocou interkultúrneho vzťahového e-marketingu.

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