

An Analysis of the Influence of Social Media Marketing on the Hospitality Industry

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Abstract

The impact of social media in the hospitality industry primarily revolves around the communication between hotels and customers through social media platforms, which helps build relationships and identify new market opportunities. This descriptive and qualitative study analyzes the role of social media in the hospitality industry, with a focus on Indian hotels. It examines how hotels use social media to interact with customers and enhance their marketing efforts. The target market includes hotel brands utilizing social media and their active customers.

Hospitality companies are increasingly adopting new technologies and social media tools for marketing. These platforms facilitate customer interaction and engagement and provide a vast space for advertising. By studying customer-generated content on social media, hotels can develop targeted strategies such as promotions and pricing. Active engagement on social media boosts brand awareness and enhances customer loyalty and satisfaction. Loyalty programs aim to foster long-term relationships through economic benefits (offers, coupons, discounts) and social benefits (personal connections).

Social media benefits are difficult to replicate but crucial for customer retention. Additionally, customers receive structural benefits like value-added offers. Social media strategies in hospitality are categorized into public relations, content creation marketing, and viral marketing. Traditional word-of-mouth has evolved into electronic word-of-mouth and online reviews, allowing unrestricted user expression.

Keywords: social media, hospitality, marketing, loyalty programs, promotion, brand awareness, electronic word-of-mouth, online communication, public relations.

1. INTRODUCTION

Social media has become a vital channel of interaction between hospitality businesses and their customers. Kaplan and Haenlein (2010) describe social media as a collection of Internet-based applications that enable the creation and exchange of user-generated content, founded on ideological and technological principles. These tools help businesses understand their customers and potential customers better, and disseminate information through electronic word-of-mouth, including branding, campaigns, and online reputation ratings. According to Harvard Business Review (2010), by 2010, a majority of businesses (85%) had social media pages, using them for brand promotion (87%) and customer interaction (76%). By 2015, 96% of businesses reported using social media for marketing, with 92% recognizing its importance to their business goals (Philips-Melancon & Dalakas, 2018).

In the hospitality industry, as in many others, social media significantly influences consumer decision-making. The Internet allows businesses to deliver targeted information to niche audiences at a lower cost compared to large-scale advertising (Scott, 2015). The rise of platforms like Twitter, Facebook, and

Instagram has greatly enhanced the flow of information between consumers and brands. Social media also enables consumers to express their opinions through electronic word-of-mouth and online reviews, which are crucial for marketing, e-commerce, and e-tourism research. These reviews are trusted sources of information for consumers, providing insights from a wide range of people, including those they know, without geographical or time constraints.

II. LITERATURE REVIEW

Social media serves as both a marketing tool and a medium for building relationships with customers, providing insights into their needs and market opportunities. It has become a crucial communication channel between hotels and customers, enabling hotels to share information about services and promotions while staying updated on customer preferences. The hospitality industry is significantly influenced by the widespread use of information and communication technology (ICT). By engaging with visitors and reviewing their feedback, hotels can address customer inquiries and complaints, thereby enhancing their reputation (Philips-Melancon & Dalakas, 2018; Yeng & Tang, 2015). Hotels utilize social networks to develop brand strategies aimed at building customer relationships and loyalty (Medeia & Menezes, 2015). Loyalty programs and efforts to keep social media profiles updated with rich content are effective if hotels offer clear benefits to users, encouraging active participation on these platforms. Customers share valuable information, personal views, and recommendations, which significantly impact a hotel's business development, helping to build reputation, attract new guests, and retain existing ones. Social media can be categorized into public relations, content creation marketing, and viral marketing (Miletsky, 2010). With the rapid growth of traditional media, PR professionals need to engage with their client's audience. Blogs, websites, and other content marketed to internet users fall into the second category, while content created by companies for social media must be designed for virality. Traditional word-of-mouth has evolved into electronic word-of-mouth and online reviews, enabling users to freely express their opinions. Social media offers numerous advantages, including low cost, easy and free consumer participation, global reach, and interaction between participants and consumers.

III. METHODOLOGY

This qualitative study used a combination of primary and secondary data. For primary data, we defined the target audience, including marketing managers of hotels and restaurants, and potential and current customers. Marketing managers understand the impact of social media marketing on sales and revenue, and customers benefit from these marketing efforts. We considered various motivations for customer engagement, such as attraction to a place, desire for new experiences, and repeat visits. We used stratified sampling to create two layers: customers aged 17 to 25 years and marketing and sales managers. Customer responses were crucial as social media marketing's success depends on positive customer engagement. We conducted interviews with managers and customers, opting for detailed responses over questionnaires. For secondary data, we analyzed research papers on social media marketing, using keywords like online sales, customer reviews, and hospitality marketing. We narrowed down the research papers to those most relevant to our study.

IV. RESULTS AND FINDINGS

Corresponding to the interviews that have been taken in the process to complete this study, there were a various point of views and perspectives that we came across.

Collecting the findings and views of marketing and sales manager of Surat Marriott Hotel, the individual was very positive about the usage of social media as a marketing tool in the hotel. He quoted that "We use Social Media specifically Instagram daily in our operations, it is as important as any other strategy we use in the hotel." He also added that they are active on platforms like Instagram and Facebook but they engage their most resources for being updated on Instagram for a sole reason that the youth of the nation is keenly interested and committed towards this platform, and according to them attracting the youth population is the key source of spreading awareness about an establishment all around the city effectively. According to them more than social media being a marketing tool for sales or revenue generation or any other motive for that matter it is a "key tool for generating brand awareness." He also added that undoubtedly the pandemic COVID-19 had hit the hospitality sector immeasurably but it was during this time that they realized the true power of how robust implications can social media lay on hotels. They effectively and profoundly used social media to attract and most importantly educate guests about various facilities the hotel provided with also enlightening them regarding the precautions they should take in the context of the pandemic.

Apart from the manager also drew our attention towards how this social image that they engage in creating is very critical to maintain. They have also conserved a separate budget for this department that dedicatedly looks upon the social media marketing, as there are a lot of complexities involved in the same, some of which are - copyright infringement, replying to customer reviews, Instagram algorithms to ensure maximum reach of content, deep data analysis and much more. Manager also told us about different loyalty programs they offer through this but according to Marriott policies these loyalty programs are offered only to "Marriott Bonvoy" members and that too only on their website.

During the interview the manager also explained how the third-party websites such as Trip Advisor, Booking.com, Make my Trip etc. work and also how the ranking on these websites control the consumer behavior. But apart from merits that a third-party provides the manager quoted that according to their analysis "A Loyal Guest spends 4 times more money with you than he would rather spend through a third-party."

Apart from all this during the interview we also found out about the dark side of the internet, and i.e. about the negative social image that gets created in a tick of a second as soon as a guest puts up a story about any bad experience he or she might have faced, such stories go viral in minutes and need mindful handling, after discussing this the manager quoted that " we also have faced such circumstances but we always keep in mind how to convert or how to consider negative points as positive points in order to grow as a hotel brand."

Coming to the interviews taken of the prospective customers to a hotel, to our surprise we didn't come across very different point of views but rather more or so the perspectives of different customers were almost same and linked to each other.

Maximum of the users were actively participating on Instagram as a social media platform and the second massively used was Facebook. Asking them if they even use these platforms as an informative source in context of hospitality we came to know that maximum users search for different café's or restaurants and luxury hotel brands in order to know what unique are they offering and also the prices are a main motive of their search, they might not necessarily visit the establishment but are just keen to know about it, most of them also mentioned that maximum times they use social media in the greed of getting various discount coupons or rewards or loy points so that they can redeem them in future.

Talking to them regarding the customer reviews, around 90% of the customers quoted that they dedicatedly engage themselves in reading the customer reviews p to visiting a place also they effectively do engage themselves in putting up a rev only if their experience had been on extreme sides, i.e. either very good or very according to most of them they do not invest time in putting up moderate experience they might have had.

In the end where all of our interviewees agreed was that strong and related social media marketing does play an imperative role in building or demolishing brand or social image of any hospitality establishment?

V. DISCUSSION

According to the deep analysis of the data collected through primary and secondary sources we can clearly make it out that in this new era of technologies, social media marketing has a profound impact on the hospitality sector and all other sectors for that matter.

This platform when used as a marketing tool can exponentially grow hotel visibility among the customers. Hospitality companies have broadly adopted new technologies and social media tools for marketing purposes. One important application is the engagement with customers through a relationship approach. Social media has also emerged as a viable and critical marketing tool. New platforms utilizing Web 2.0 technologies offer superior interaction and communication between brands and consumers. Effective social media content strategies are necessary to strengthen relationships between marketers and customers as social interaction may take place by way of a variety of methods such as liking, commenting on or sharing the content posted by brands with friends and followers, entertainment gratification is among the most significant factors affecting attitudes of different customers. Unsurprisingly, entertaining posts on social media, keeping up with the trends have been found to lead to higher impressions and positive attitudes towards the brand promoting of the hospitality firm and result in higher interaction. Social media sites offer the ability to post various types of content with differing levels of interactivity. As, also stated in the finding's customer reviews play an imperative role, and the hotels that manage to act upon them mindfully can actually turn positive reviews to loyal customers and negative reviews to repeat sales.

Social media might not necessarily result in increased sales or increased revenue generation but it definitely results in brand awareness which in turn will lead to desired goals. This marketing might also increase sales but it is very difficult to analyze and calculate that what forced a particular customer to come to a brand.

Coming to the limitations of this research, the main limitation is that the findings and results of the research is confined to a particular city i.e. Surat, and apart from this it also mainly combines and focuses on the Indian Hospitality sector only. Therefore, ore researches can be conducted on this topic with a wider sample frame and taking other regions in consideration too.

VI. CONCLUSION

Concluding this study on the impact of social media marketing on the hospitality sector, one thing that can be openly stated is that around the world everywhere, everything has its pros and cons and so does social media marketing has. This tool undoubtedly provides a magnanimous amount of merits in terms of higher visibility, growth in brand awareness, growth in revenue generation, creation of a social image, optimization of costs in comparison to other ways of marketing, building strong customer relations, loyalty, Electronic word of mouth and much more but at the same time if this tool is not used with due diligence, proper data analysis, dedicated amount of time spent on customer reviews then this boon can

turn into bane in no time. As quickly the social media creates a positive image of a brand more quickly does it deteriorates the brand image, and later each step taken can go negatively and in turn portray a negative image in public.

But apart from all this, it is certain that this new era after the pandemic is continuously running towards getting everything online at a fast pace. Not only the number of customers on such platforms are increasing but with the same pace, the hoteliers who want to market themselves in a more optimized way.

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