Social value of online information in the hotel industry

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Abstract. *Studies show that public information can create social value, which reflects on the purpose of this paper in identifying information on the online environment of the hotel industry which can directly or indirectly create social value and ultimately a competitive edge. Privately owned, small and mid-sized hotels in Romania find themselves in competitive online environment and, as such, many of them cannot compete or don't possess the know-how to compete within the online environment. With identifying the information shared on the hotels online environment and the capability of the information in creating social value, hotels can reevaluate their online strategies. The immediate objective of this paper is to analyze the websites of a sample of 99 small and mid-sized hotels in Romania and to identify critical information that can directly or indirectly create social value. Part of the objective is to draw a conclusion of the main differences on the information shared on the hotels website, which in terms will show where small and mid-sized hotels can improve their online content strategy with socially valuable information. Key findings reflect that Romanian hotels have a clear pattern across the country when it come to their online environment. However, there are serious deficiencies that can influence both economical results and the possibility of creating socially valuable information online. This work increases our understanding of the information shared on the hotels websites in Romania and comes with suggestions that hoteliers can apply in the future to increase the competitiveness and the social value of their online environment.*

Keywords: hotels, online environment, social value, Romania.

Introduction

In recent years consumer behavior picked up pace in shifting from offline to online and from online to mobile across the globe and as such many of the global industries have been shifting their focus towards the online environment.

One of the major drivers of global economic growth, the travel industry, with just below 10% of the global GDP in 2015 according to statista.com (leading statistics companies on the internet), has been a flag carrier for several years in a row when it comes to digitization and to align to the newest worldwide consumer behavior and online trends. Findings of statista.com reports show the online travel industry had a global market penetration rate of 34.7 percent in 2016 when it comes to online travel bookings and an annual revenue of US$632,091m. With such an increased digitization and fast paced environment it's critical that the travel industry stakeholders recognize new trends and shift strategies accordingly. One of the main pillars of the travel sector is the hotel industry, which had a global revenue of 493.76 billion U.S. dollars in 2015 according to statista.com.

A recent release of Google Digital Tourism Trends (2014-2015) shows that destination names, hotels and flights make majority of online travel searches in Romania. Almost a quarter are hotel related searches out of which 45 percent are in-country searches, meaning more and more users turn towards digital platforms to make their travel plans and to find accommodation and flights. As such, hoteliers should be able to "catch" the increasing interest over the digital platforms and to convert visitors into customers while

providing trust and quality service throughout the whole digital endeavor (Dima et al., 2016).

The paper attempts to identify key elements of the online environment of the hotels in Romania and to underline which of these elements can serve as a source of social value.

Literature review
Social value of online information
This paper follows the idea of a recognized concept in the marketing literature, perceived value (Hameed and Swar, 2015, Sánchez-Fernández et al., 2007, Zeithaml, 1988), which embedded in the conjecture of the hotels online environment leads to customer loyalty and, as such, it can help hoteliers to build up a repurchase intention in customers. Although customer perceived value may have its differences for various services or products, but it is not limited to perceptions before, during or for future use. (Hameed and Swar, 2015)

Also, Hameed and Swar (2015) point out that "perceived information value can be defined as user perceptions of the tangible and intangible value from searching, using, repeating search and sharing online information in public domains, relative to one's contribution. Perceived information value has important role in online information sharing contexts because users should involve in both consumption as well as production of information" (p. 3). Among other dimensions, Pihlström (2008) points out that perceived information value has a social value dimension.

Next, considering the above and the value of the information shared online the paper makes progress in understanding the social value of the information shared on the hotels online environment.

Understanding the dimensions of the hotels online environment
The hotels online or digital environment is a cluster of various digital platforms which acts as an omni-channel approach towards engaging and retaining customers. Throughout the literature and industry standards four key elements can be identified and separated that together form the hotels online environment, these are as follows: hotel website, social medial platforms, distribution channels and review websites.

Hotel website
This study starts from the premises that the online environment of a hotel should start with its own website which is crafted to industry standards and customized accordingly to represent the hotel in the best way possible. Planning and building a website is by far an easy task, according to Schmidt et al. (2008), most private hotel websites have only a limited range of functions. Depending on the size and volume of information it wants to share with the user, a website can have 100's or 1000's of details which have more or less the same importance when it comes to usability and user experience.

A website is every hotel's digital lobby and reception that allows potential guest to connect and get informed about the hotel and its surrounding area. The hotel website is the key online asset which is a must for every hotel. According to industry standards pointed out by several experts from various digital marketing companies such as elinapms.com, hotellinksolutions.com or hoteliyo.com there are a number of things a good accommodation websites should have. Since the introduction of the web 2.0 there have been several studies

that underlined that the right content is crucial for a hotel website and they applied content analysis to evaluate hotel websites.

In accordance with previous researches and industry standards, this study will focus on the following features that underline the key website element of a hotel website: room information, facilities information; location/map, pictures and videos, description of the surrounding environment, social proof, booking engine and payment gateway, social media links.

Social media
Social media platforms have increasingly more and more importance and are a great tool for any marketer, although in case of the hotel industry the possibilities are still somewhat limited. These limits are continuously extended and social media platforms become unquestionably an important way to communicate and engage customers. Furthermore, social media platforms, such as Facebook or Twitter, can also be a great way to find immediate feedback from customers whether a product or a service has potential or not.

Hotels can apply for a handful of social media strategies depending on the customers they want to engage. According to business market research company Redshift Research, one-fifth of all travellers worldwide turn to social media out of this 23% visit hotel social profile pages to get inspiration for their next trip. So, indeed social media is a great way to have a two way communication between hotel and user and to get a message across to the user.

According to "USA Today" some Marriott hotels use their social media pages more exactly their Facebook pages to communicate with guests. Other brands like Hyatt and Hilton hotels are following the example and are using Twitter communicate with guest, where guest can "tweet" queries and the hotels will get back in an hour to the guest queries. Social media websites also allow hotels to initiate conversations with guests even a tweet or a Facebook message.

The using of Social Media platforms in the hotel industry is beginning to be a standard. However, hotels have to clearly define which social media platform they shall use as not all platforms target the desired audience and location. Facebook and Twitter are two critical social media platforms that hotels prefer to use due to its reach and popularity. Yu-Lun Hsu (2012) notes that "the use of Facebook by hotels depends on their perspective towards Facebook as an international eMarketing strategy," and when it comes to other social media channels such as twitter or Instagram this statement in my perspective can also be true.

Distribution
The online environment has opened new ways to communicate and to buy and sell products and services, as such the online channel are one of the most efficient channels to increase a hotels revenue with far less energy and investment as traditional offline sales. A hotel may have several online channels which serve as a way to get more bookings. Online travel agencies or OTAs are such channels, which in the last decade have been driving more and more bookings to the hotels.

Nowadays, the revenue generated via online distribution at many hotels represents the main source of income and it's in a growing tendency on yearly basis. In 2015 Statista.com forecasted a dynamic year on year growth of the online bookings at hotels. Also

according to statista.com the most revenue is generated in the United States (mUSD 38,250.8 in 2016).

The most popular paid channels through which hotels get bookings are Online Travel Agencies (OTAs) and Hotel Search Engines like Agoda, Wotif, Booking.com, Hostelworld, Expedia, AsiaRooms, Venere, Travelocity, Orbitz, hotels.de etc. As such, the presence of OTAs and Hotel Search Engines play an important role in the distribution of rates and availability of the hotels inventory. These search engines "will allow the online users to search for accommodation within a database of tens of thousands of hotels, hostels, guesthouses, apart-hotels, apartments or find car hire services across whole Europe or to find air ticket services" (Moraru, 2013:17).

Hotels that have a strong online distribution strategy funnelled across multiple OTAs and Hotel Search Engines and Metasearch website can only benefit. During the analysis of the distribution channels of the hotels online environment, 5 main groups have been noticed that hotels are keen using to distribute their inventory: OTAs, Hotel Search Engines, Metasearch, Wholesaler and Other channels. It is also important to note that online distribution and yield management have a strong correlation (Okumus, 2004). Although revenue management is present for a long time now in the hotel industry, there are still plenty accommodation businesses that have to learn the use of it and to be able to distribute their rates online in order to maximize incomes and minimize the risk of having empty rooms. As such, hoteliers must identify strategically important online distribution channels that can help the hotel to reach its target audience.

Review websites
Online reputation management becomes increasingly important in 2016. According to TripAdvisor TripBarometer study published in March 2015, it was expected that hotels to increase investments in online reputation management by 60% in 2016 compared to the previous 12 months. Also Tripadvisor claims that online reviews play an important role when people decide which hotel they want to stay at. More exactly 93% of the surveyed users said that online reviews play an important role when it comes which accommodation they choose. Also worthy to mention, that 53% of the people surveyed would not book a hotel without having a guest opinion about it.

In 2013 PhoCusWright poll showed that half of the online consumers do not make a booking before consulting reviews of other consumers. Over the past decade review websites gained more and more interest, in the hospitality one of the leading review website is tripadvisor.com with over 65 million visits each month according to similarweb.com.

Through these website customers of hotels can share their experiences and thoughts about a hotels overall or particular services. These mediums are also a vital point of contact for hotels to communicate and to elevate possible complaints. In their study, Browning et al. (2013) point out that review websites can provide hotels a very rich and informative source of consumer feedback that will allow them to pinpoint the key areas needing staff training and improvement actions.

Methodology
The present study has at its core industry standards supported by a qualitative analysis of 99 hotels in Romania and information gathered from published, topic related, articles that

helped outline four key dimensions. These are: the hotels own website including mobile website or mobile application, social media, online distribution and review websites, collectively called online environment of the hotel, which have the possibility to create among economic value, social value as well.

Identification and mapping of this environment is crucial in order to understand the connection between processes, guest interaction, information flow and the final output social value. Ideally, it would be desirable to analyse as many hotels as possible from various regions around Romania to observe potential differences and similarities between the hotels online environment and to conclude that the hotels in Romania do have an online environment acting as a source of social value and it is an observable strategy of the hotel industry. Unfortunately, such an attempt would not be practical due to the limited resources.

In order to identify the hotels online environment and marketing strategies, as well as the platforms they use to promote and share information with the users, a sample of 100 hotels will be analysed. The sample consist of hotels from the top five destinations of Tripadvisor's 2016's traveler choice awards, namely Bucharest, Brasov, Cluj-Napoca, Oradea; Sinaia, Tirgu Mures, Sighisoara, Iasi, Sibiu and Timisoara. I've chosen Tripadvisor's traveller choice awards to help pin point destinations that travellers enjoyed the most and have decided to share their opinion and experience online. The hotels are analysed in ten batches of 10, each group of ten belonging to a particular city. Hotels have been selected according to Tripadvisors database and ranking and so the groups consist of the top ten hotels within a destination.

Analysis and results

Following the literature and industry standards, the paper sets out to identify the four key elements of the hotels digital environment namely: hotel website, social media, distribution channels and review websites. Next, the paper looks for similar features among the selected hotels throughout their entire online environment, to set the perimeters of the research (Table 1).

Table 1. *Key features of the hotels online environment analyzed*

Hotel website	Social Media	Distribution	Review Websites
Contact information	Number of social media accounts	Number of distribution channels	Number of review websites accounts
Image & video gallery	Engagement rate	Targeting	Feedback activity
Room information	Update frequency	Image & video gallery	Contact information
Facilities / Services	Information shared	Room information	Image & video gallery
Information about the surroundings / Blog	Targeting	Facilities / Services	Facilities / Services
Booking engine	Image & video gallery	Contact information	Room information
Security - SSL (Secure Sockets Layer)			

Source: Author's own research.

An in-depth analysis of the selected 99 hotels from Romania has been set up to identify the sources of social value creation within the key elements of the hotels online environment.

It was identified that the analyzed hotels have a clear pattern that outlines the four key elements of the hotel online environment that could act as a source of social value and

play an important role in the hotels online strategy. As such, this study focuses on these four channels as the corner stones of the hotels online environment, meaning that hotels that don't nourish these online channels cannot build a successful online strategy and environment for themselves and for their visitors or customers.

The research is limited to the findings on the selected 99 hotels in order to make a more accurate assessment about the Romanian hotels digital environment a larger sample needs to be analyzed. Out of the 99 analyzed hotels, 97 have a website, where as the remaining two was not operational at the time of the research. Further 96 hotels had at least one type social media account. More than 40% of all analyzed hotels have 10 or more distribution channels and 23% had between 6 and 10 distribution channels. Furthermore, all hotels have at least one review website listing active, although their feedback rate on customer reviews are low, only half of the hotels are actively replying to customer complaints or praise.

In line with previous expectations most of the hotels have websites, however key features of the websites have produced considerably varied results. One hand findings proved that there are homogeneous features of the websites, such as contact details, address, room information and photos, which were present at each hotel. On the other hand, critical features such as mobile enabled website, booking engine, social plugins, SSL (Secure Sockets Layer) encryption and information about the hotels surroundings have produced mixed results.

Due to recent Google updates, mobile enabled websites are crucial for businesses, as those who don't have mobile enabled website will fall back in Google search ranking and as such loosing valuable traffic and business opportunities. Despite these updates 37% of the websites owned by the hotel do not comply this expectation. Almost half, 42,8%, of the analyzed hotels do not feature a booking engine on their website and this number is higher when we break down results to cities, where Targu Mures (70%) leads the way followed by Sinaia (60%), Brasov and Iasi (50%). Although, according do Google guidelines SSL encrypted websites are favored in their search results, 87% of the analyzed hotels fail to comply. As such, hotels could further improve their search ranking and protect customer data if they would choose to set up an SSL encryption on their website.

Information about the hotels surroundings produced somewhat balanced result, with almost 43% of the hotels featuring in some form information about its surrounding area and/or services. A large amount of the information shared about the hotels surrounding was rather thin content, meaning little or superficial content with no real added value.

Conclusion

Findings show that hotels in Romania, have some major deficiencies when it comes to their online environment, key elements of the website, such as booking engine, information about its surroundings and others need to be improved in order to increase their online competitiveness and to deliver socially more valuable information. The research also highlights that hoteliers need to improve their approach towards diversifying their distribution channels in order to boost sales and to maximize their economic gain.

Further research, with a larger sample number, is needed in order to present a more accurate state of the Romanian hotels digital environment and to understand its strengths, limitations and improvement possibilities.

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