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**The Challenges and Opportunities of Social Media in the Hospitality  
Industry. A Study of the North East Region of Romania**

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**Abstract:** The purpose of this article is to explain what are the key benefits and challenges of Social Media adoption and to underline the importance of Social Media for hotel industry. The importance of Internet in sales and promotion of tourism products is reflected in the figures of recent studies. Social Media represents a new form of communication between hotels and consumers. In tourism, one of the most popular topics for Social Media is to share your experience: writing reviews, post photos, videos and comments. This consumer-generated content is considered credible and unbiased. Hotel industry is facing a similar situation now with Social Media, as they were hesitating to create a website. One of the major errors is that hotels do not respond to social media posts. We assessed the presence and visibility of each 84 hotels on the three major Social Media channels (namely Facebook, Twitter and YouTube) at the end of the year 2014. Where the official presence was not immediately found (usually the visitor is redirected from the official website), the first three pages search results were examined to try to establish the hotels official Facebook/Twitter/YouTube account. We carried out content analysis off all hotel Social Media accounts categorized between 3 to 5 stars in the North-East Region of Romania. Following our analysis, it was observed that North-East's hotel units own in a 95% proportion an online presence. We cannot say the same thing about their presence on the Social Media platform. Surprisingly, most of the hotels we have analyzed have a functional website, 80 out of 84 hotels. We also noticed that the presence in Social Media is at the opposite pole (compared to the number of existing web pages), so that only 48 hotels have a Facebook page, 10 hotels have a Twitter account and 10 hotels have an YouTube account. Of the three networks we notice that Facebook is the most used network by hoteliers in the North-East region of Romania, Twitter and YouTube are apparently not that popular. Social Media accounts are not used at their full capacity and from the total number identified on each segment, not all have a direct reference from their own site, for in case of Facebook 31 out of 48, Twitter 7 out of 10 and YouTube 7 out of 10. The most important limitation is considered to be the consistency of the sample we used. We only investigated the hotels (rated 3 to 5 stars) from the North-East region of Romania. A sample including all the hotels from Romania would have given a more realistic view of the use of Social Media in the hospitality industry. Another possible study limitation can be that the Social Media accounts may have been missed as it did not feature in the first three pages search results. The worst part is that the same mistake would be made by the potential customers searching for that hotel that is why we considered this error an acceptable one. As we made only a qualitative research, the results must be validated in a future research. The results of this research can be used by hotel managers and also by those who manage Internet websites. Business people who intend to enter on hospitality market might also be interested in this information. For the North-East region of Romania, during our documentation stage for this article, there was no study identified, similar to the one we realized. Also Romania, as a country where tourism industry it is in early stages of development, needs to benefit from this kind of research, for creating new strategies and implement best practices in the field.

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Social Media is relatively young and the objective for hotels to invest and participate in Social Media platform is to offer an alternative mode of communication. It also helps to establish long term relationships with their customers.

The purpose of this article is to give a descriptive overview of the state of Social Media in the hospitality industry, focusing on the hotel sector and their use of social networks (Facebook, Twitter). We believe this is a relevant area of expertise because Social Media is not used the same way within the whole industry and also that hotel managers are not yet aware of what a powerful marketing tool it represents.

The research conducted attempts to give an insight to the hospitality industry on the effects of Social Media, furthermore to establish if Social Media is effective and recommended, and if so, provide an insight and suggestions for adopting Social Media as a platform for marketing purpose.

Limitation: This study is based on secondary data and personal approach to evaluate the effects of marketing and Social Media in the hospitality industry.

## **1. The Importance of Internet Technology in Tourism**

The Internet economy, known as the New Economy or Network Economy, changes more and more the structure of post-industrial society, which leads to new interconnections with impact on the social, political and economic environment and also on the levels of business management. The rules of the New Economy can arise from the three main features of the Internet: digitalization, networking and globalization (Wirtz, 2000). According to the analyses conducted by Zerdik (2001) on the role of the Internet in the economy, we can appreciate that it also had a long-lasting effect on tourism:

- Digitalization of value creation covers all the fields of the economy;
- Customization becomes the key factor in the network economy;
- Traditional chains used in value creation get out of practice and leaves instead the dynamic networks;
- The competition for diversity becomes the main occupation;
- The new complex networks, value creators require both competitiveness and also collaboration;
- Individualization can be achieved by reducing costs and implementation of differentiation strategies;
- E-commerce is becoming a reference point and replaces the physical distribution;
- Digitalization facilitates price and product differentiation.

The proliferation of the Internet has enabled global network connections. Therefore, individuals and organizations have access to information that otherwise would have not been available. However, the Internet does not create completely new economic rules. Instead, it leads to new mixtures and eventually to an emphasis on individual norms (Zerdick, 2001 in *eTourism Case Studies Management and Marketing issues*, 2008, Egger, Buhalis, Part V).

“In the XXIst century, tourism is one of the biggest and most exquisite industries based on information” (Middleton, 2001, pp. 218-219). The access at Internet as a marketing tool provides a new way of bringing two dimensions together by integrating promotion and distribution. Websites

facility is that they are able to achieve simultaneously publicity, to inform, promote special offers, to attain direct sales and last but not least to prompt reservations.

The Internet importance for the tourism industry has grown rapidly in the last years. Understanding how tourists act is of utmost importance for providers of tourism products and services and also for tourism authorities to create adequate marketing strategies in order to exploit the full potential offered by this channel.

Being considered an industry which relies intensively on information, tourism can obtain important synergies from the use of the Internet. The tourism sector has been an innovator in the adoption and development of Information and Communications Technology (ICT) applications and today is ranked among the top categories of products and services that are purchased through the Internet (Garín-Muñoz, Perez-Amaral, 2009; Marcussen, 1999). Marcussen (1999) suggests that services such as those offered in tourism are ideal for sale on the Internet because there are no shipping costs.

The Internet is one of the most recent developments in communications and information transfer. It is considered a technology asset due to its ability to spread rapidly and efficiently, a large amount of information for all stakeholders (interested parties), including employees, customers, shareholders and suppliers (Violino, 1996). Nowadays, the Internet is more accessible and less expensive than it was a decade ago, and the number of users is still in a galloping growth. Nowadays consumers are more focused on saving time and offer a greater amount of information involving the product/service of interest. The Internet seems to have more advantages over mass media as a tool for gathering information (Schonland and Williams, 1996; Walle, 1996), apart from searching information, Internet users can also make the reservation and then, buy the product through this channel.

Technology is considered a major driving force for service innovations and there are facts suggesting that it can further enhance the accessibility, attraction and standing for costumers. (Damanpour, Walker, & Avellaneda, 2009; McLoughlin, Kaminski, & Sodagar, 2007; Nielsen & Liburd, 2008; Pastuszak, Shyu, Lee, Anussornnitisarn, & Kaewchur, 2012).

The use of Social Media by hotels and businesses in general represents a continuous area of interest because of its popularity. Using Social Media is very often considered as a “mega trend” within the tourism and hospitality industry (Xiang and Gretzel, 2010, p. 179).

There is no exclusive definition of Social Media, but it can be generally described as “a large 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”. This way, consumers are enabled to share personal opinions, experiences and insights (Chan & Guillet, 2011; Kaplan & Haenlein, 2010; Xiang & Gretzel, 2010). Social Media enables new ways to communicate, interact and work with partners, customers/potential customers and other individuals outside the organization.

Hotels Social Media describes hotels reliance on Social Media tools for business purpose (room reservations, brand awareness, etc.). Tools may include social networks (Facebook, LinkedIn, etc.), microblogging (Twitter), blogs and/or other enterprise collaborative social software.

According to Digital, Social and Mobile in 2015 (wearesocial.net), Social Media continues to grow rapidly around the world too, with active user accounts in January 2015 equating to roughly 29% of the world’s population. Monthly active user (MAU) figures for the most active social network in each country add up to almost 2.08 billion which represent a 12 per cent increase as compared to January 2014 figures (wearesocial.net). This flow of Social Media may represent a threat to hotels since there is a lack of knowledge and understanding about its usage.

**Table 1. Key challenges summarized from the literature**

Key challenges	Examples of associate literature
Lack of adequate funding <i>Lack of specialized human resources / difficulty of allocating skilled resources</i>	<ul style="list-style-type: none"> <li>• De Jong, Dolfsma, and Meijaard, 2003;</li> <li>• Hjalager, 2010;</li> <li>• Laursen and Foss, 2003;</li> <li>• Richey, Genchev, and Daugherty, 2005;</li> <li>• Venkatesh and Davis, 2000.</li> </ul>
Lack of understanding of Social Media innovation	<ul style="list-style-type: none"> <li>• Kärkkäinen, Jussila, and Väisänen, 2010;</li> <li>• Magal, Kosalge, and Levenburg, 2009;</li> <li>• Mangold and Faulds, 2009;</li> <li>• Xiang and Gretzel, 2010.</li> </ul>
Lack of management support	<ul style="list-style-type: none"> <li>• Agarwal and Prasad, 1998;</li> <li>• Atuahene-Gima, 1996;</li> <li>• Brentani, 2001;</li> <li>• Gupta, Raj and Wilemon, 1986;</li> <li>• Hu, Horng, and Sun, 2009.</li> </ul>
Resistance to change	<ul style="list-style-type: none"> <li>• Barton and Kraus, 1985;</li> <li>• Gilley, Dixon, and Gilley, 2008;</li> <li>• Olson and Boyer, 2003;</li> <li>• Tsikriktsis, Lanzolla, and Frohlich, 2004.</li> </ul>
Lack of technological infrastructure and knowledge	<ul style="list-style-type: none"> <li>• Blind and Grupp, 1999;</li> <li>• Gold, Malhotra, and Segars, 2001;</li> <li>• Hackney, Xu, and Ranchhod, 2006;</li> <li>• Howells, 2001.</li> </ul>
Difficult to measure financial gains and lack of proven evidences	<ul style="list-style-type: none"> <li>• Blanchard, 2011;</li> <li>• Chan and Guillet, 2001;</li> <li>• Evans, 2008;</li> <li>• Hoffman, 2013;</li> <li>• Kärkkäinen, et. al, 2010.</li> </ul>
Concerns of potential negative impact on brand/ reputation	<ul style="list-style-type: none"> <li>• ec.europa.eu <i>Business opportunities: Social Media 2013</i></li> </ul>

*Source: Adapted from Quality Innovation: Knowledge, Theory, and Practices, ed. Latif Al-Hakim and Chen Jin, p. 393*

**Key reasons why hotels should adopt Social Media**

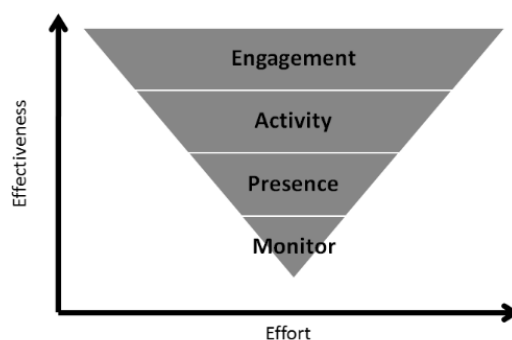
- Increase awareness about the hotel and its products;
- Manage relationship with customers and potential customers;
- Gather ideas/feedback/reviews for products and services;
- Respond to customer questions or complaints.

The objective of Social Media marketing is to gain brand awareness and create interaction with the customers to talk about a specific business (Csutoras, 2008). Social Media marketing offers visibility and awareness of the brand, this way potential customers/customers may be transformed in loyal customers.

**2. The Importance of Social Media**

A hotel’s number one goal with its online presence is to increase bookings, so visibility is important, especially through search engines like Google or Bing. Practically, the more subscribes, likes, comments, retweets and favorites your posts have the more visibility your hotel will get on Google.

To have a success with the Social Media platforms it is necessary to create a different strategy to that which has traditionally been used with other distribution channels. O'Connor (2011) recommends that, to achieve this, a Social Media Management Continuum running from Monitoring through Presence and Activity to Engagement is proposed (Figure below). First it is a must to monitor the Social Media space (having some automated procedures to track what is being said about them). The next level is Presence, where hotels need to create accounts to be available when customers search for their brand. After the presence stage has been established, the hotel may start to generate activity and interaction with customers (Brogan, 2007 in O'Connor, 2011). Above all others the hotel tries to engage with its members (this last stage will function only if the other three were well implemented)



**Figure 1. The Social Media Management Continuum**

*Source: O'Connor, Peter (2011, p. 8)*

Social Media reflects a fundamental shift in how information sharing works. It enables consumers to interact with content and with each other whenever and however they want. (O'Connor, 2011) This way potential customers can choose to inform themselves from former consumers of the same hotel they are interested in and not especially from institutional sources as: organizations, mass-media, etc. Social Media platforms (like Facebook, Twitter, YouTube and many other) provide consumers with access to a vast and rapidly growing pool of high-quality, topical and most importantly impartial information, generated not by commercial interests but by other consumers (Sigala and Marinidis, 2010).

### 3. Purpose

The study aims to show how Social Media is exploited by the hotel sector from the North East region of Romania.

The objectives of this research are:

- To identify the number of hotels, rated three to five stars, from the North-East region of Romania, that utilize the Social Media platforms.
- To observe Social Media applications used by the analyzed hotels.
- To identify the major mistakes made by hoteliers when using the Social Media platforms.
- To provide managerial implications and also suggest recommendation.

#### **4. Methodology**

Secondary analysis, induction and deduction represent the foundations of the research methodology. Several statistics, specialized web pages were analyzed.

Furthermore, the content analysis for this study analyzed data for 84 hotels from the North-East of Romania, verifying the existing official Facebook pages, Twitter and YouTube accounts. We assessed the presence and visibility of each 84 hotels on the three major Social Media channels (namely Facebook, Twitter and YouTube) at the end of the year 2014. Where the official presence was not immediately found (usually the visitor is redirected from the official website), the first three pages search results were examined to try to establish the hotels official Facebook/Twitter/YouTube account. We carried out content analysis off all hotel Social Media accounts categorized between 3 to 5 stars in the North-East Region of Romania.

Data were collected through web observation, by visiting hotels websites by using Google Chrome browser, analyzing a series of criteria's and by using a specialized software instrument (Microsoft Excel) to analyze the gathered data.

#### **5. Findings**

Following our analysis, it was observed that North-East's hotel units own in a 95% proportion an online presence. We cannot say the same thing about their presence on the Social Media platform. Surprisingly, most of the hotels we have analyzed have a functional website, 80 out of 84 hotels. We also noticed that the presence in Social Media is at the opposite pole (compared to the number of existing web pages), so that only 48 hotels have a Facebook page, 10 hotels have a Twitter account and 10 hotels have an YouTube account. Of the three networks we notice that Facebook is the most used network by hoteliers in the North-East region of Romania, Twitter and YouTube are apparently not that popular. Social Media accounts are not used at their full capacity and from the total number identified on each segment, not all have a direct reference from their own site, for in case of Facebook 31 out of 48, Twitter 7 out of 10 and YouTube 7 out of 10.

The most frequent mistakes identified:

- most hotel webpages analyzed do not redirect the visitor to their official Facebook page, Twitter account or YouTube account; it is important that visitors can easily see where they can follow your hotel;
- hoteliers do not post regularly on their pages/accounts; not staying active won't get nothing good for the business, it is recommended to place daily updates on your Social Media account.
- the profiles and accounts created are most of the time incomplete and unattractive;
- hoteliers do not engage with their customers that post on their pages by answering to their comments; even the comments received are negative, you have to turn it into positive comments by understanding them and providing a solution on the spot.

This kind of mistakes hoteliers need to avoid and focus on creating a quality relationship with the hotel guests or potential guests by engaging with them.

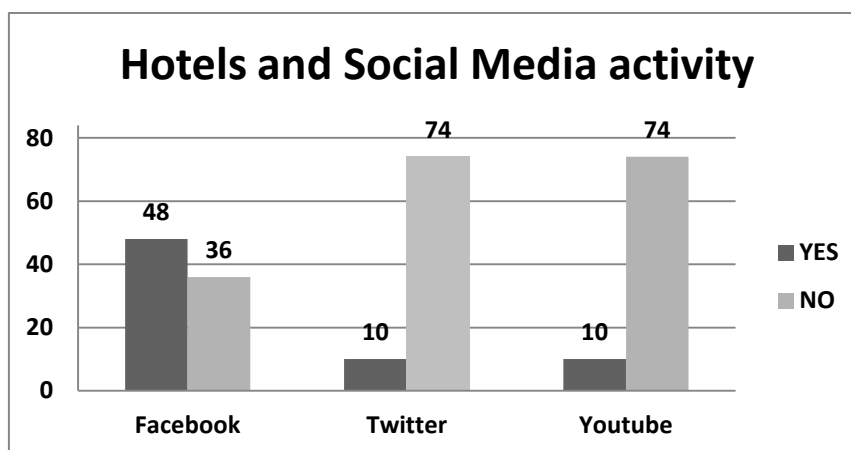
## Population and Sample

The services offered on hotel websites were registered through an extensive web search. Searching the Internet to study and identify online practices it is very common in the literature. (Sigala, 2003).

The investigated population is represented by accommodation structures from hospitality industry. The sample is represented by hotels, rated three to five stars, located in the North-East region of Romania. The study was made on the entire studied population, namely the 80 hotels that currently have a website, out of 84. We have selected the hotels to analyze from a public data base provided by the National Authority for Tourism for Romania. According to ANT, at the beginning of 2014, in Romania there were 1071 hotels rated three to five stars.

## 6. Findings

Following our analysis, it was observed that North-East's hotel units own in a 95% proportion an online presence. We cannot say the same thing about their presence on the Social Media platform. Surprisingly, most of the hotels we have analyzed have a functional website, 80 out of 84 hotels. We also noticed that the presence in Social Media is at the opposite pole (compared to the number of existing web pages), so that only 48 hotels have a Facebook page, 10 hotels have a Twitter account and 10 hotels have an YouTube account. Of the three networks we notice that Facebook is the most used network by hoteliers in the North-East region of Romania, Twitter and YouTube are apparently not that popular. What we identified is that Social Media accounts are not used at their full capacity. From the total number we identified on each segment: 31 out of 48 hotels have a Facebook account or page redirected from their website, 7 out of 10 Twitter accounts are redirected from the hotel website and 7 out of 10 YouTube accounts are redirect from the hotel webpage.



**Figure 2. Results of the Social Media activity of the hotels analyses**

Being present online represents the first step; in order for a hotel to be successful it has to be noticed by consumers. Every channel (even we speak about the website or the Social Media platforms) has a way to indicate support or just to keep in touch with their clients. A site can have a newsletter where the client can sign up, on Facebook we can count the number of Likes, on Twitter the number of Followers and YouTube has the number of Subscribers (Miller, 2010).

Independent of the level of the visibility, to be successful hotels also need to interact with their current and potential clients. Social Media channels provide a unique opportunity to contact the interested groups in the field – because those consumers already chose to follow your brand. It is very important

to be visible and present, but the most important is to keep generating activity in the form of posting, tweets, add/share videos and photo submissions.

### **Limitations of the Research**

The most important limitation is considered to be the consistency of the sample we used. We only investigated the hotels (rated 3 to 5 stars) from the North-East region of Romania. A sample including all the hotels from Romania would have given a more realistic view of the use of Social Media in the hospitality industry. Another possible study limitation can be that the Social Media accounts may have been missed as it did not feature in the first three pages search results. The worst part is that the same mistake would be made by the potential customers searching for that hotel that is why we considered this error an acceptable one.

## **7. Conclusions and Recommendations**

The results of this research confirm the low presence of these features on the sites examined. Romanian hotels are at the initial stages of understanding and exploring with how to use Social Media in order to promote their business. Today, everything is about being online, therefore about Social Media. It allows companies to engage with the consumer in a timely and direct contact at a fairly cost and at a higher level of efficiency, which compared with the traditional communication tools, can be easier achieved. By connecting and engaging the consumer in the Social Media hotels can utilize the “fans” network in order to influence their friends and relatives through word of mouth or online page suggestions. Social Media networks give the opportunity to any customer/potential customer to express their positive or negative opinion that is why it has to be recognized as a very powerful tool. Promotion should be done primarily through Social Media, taking into account that 1 in 3 people choose their holiday destinations from the Internet. It was easily observed that the majority of the examined hotels are not currently using Social Media to their full effectiveness or not at all, when it comes to the ability to interact and engage with customers/potential customers; also that Social Media is not yet recognized as a powerful marketing tool. Further research might have as a main goal to identify best practice examples from the use of Social Media by hotels.

## **8. Acknowledgement**

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