The Impact of the Social Web on the Information Process of German Hotel Guests

Nadine Chehimi
University of Trier 24th August 2012

Agenda
• Social Web: definition
• Importance for the hotel industry
• Empirical study
• Conclusion

The Social Web
• ‘21st’s century mass phenomenon’ and biggest media revolution since the invention of modern letterpress by Gutenberg in 1452 (Beißwenger 2010)

• Reasons for increasing popularity
  – Technical development
  – Low entry barriers
  – People’s need for communication

• The Social Web is characterized by three aspects (Amersdorfer 2010):
  – Architecture of contribution
  – Architecture of networking
  – Architecture of communication

• Variety of digital media and technologies that allow users to share experiences, opinions and media contents as well as mutually create new substance (BVDW 2010).
The Social Web

- Social Web sites can be classified into four categories: (BVDW 2010)
  - Communication
  - Collaboration
  - Multimedia
  - Entertainment

The Importance for Hotels

- Hotel services have special characteristics compared to consumer products
- Trust plays a mayor role in decision process
- Previously: information were provider determined
- Today: customer empowerment
- Internet is gaining in importance for holiday preparation

Major Chances and Risks

- Chances:
  - Competitive advantage
  - Guests acquisition and retention
  - Multiplier

- Risks
  - Multiplier
  - Loss of control
  - High electronic word-of-mouth credibility
  - No commentation on reviews

Empirical Study

- Partner: German hotel chain with over 30 hotels in Germany
- Online questionnaire sent to 100,000 hotel guests
- 940 usable forms
Influence on Booking Decision

- Highest influence: review portals and booking sites followed by travel communities and social networks
- Media sharing platforms, blogs and podcasts and microblogs have a very low impact
- Almost 30% of all respondents already withdrew their existing booking decision due to negative reviews
- Women are more influenceable than men

Age Groups

- Travel communities and microblogs mainly used by older generation
- Social networks more frequently used by younger and older generation
- No age preference for all other channels
- So-called ‘best agers ‘ publish reviews most often
- Also age group 71+ is intensively using the Social Web

Important Social Web Sites

- The four most relevant Social Web types during the hotel information process are
  - Hotel review portals
  - Booking sites
  - Travel communities
  - Social networks
- In the following the user profile of these types will be given

Hotel Review Portals

- Are used:
  - Independently of age
  - More frequently by men
  - More frequently by leisure guests
  - Hotel review portals have the highest impact on the booking decision
Booking Sites

- Are used:
  - Independently of age
  - Independently of gender
  - More frequently by business guests
  - Booking sites have the second highest impact on the booking decision

Travel Communities

- Are used:
  - More frequently by best agers
  - More frequently by men
  - Independently from travel occasion
  - Travel communities have the third highest impact on the booking decision

Social Networks

- Are used:
  - More frequently by the younger and the older generation
  - More frequently by women
  - Independently from travel occasion
  - Social Networks have the fourth highest impact on the booking decision

Conclusion

- Social Web has become an important part during the information process
- Enables guests to assess the hotel services in advance and to establish a relationship with the hotel
- Each Social Web type has different user profiles
- Essential to consider which target group can be reached on which site
- Important to be active in the Social Web: a current lack of interest may cause severe future problems
Thank you for your attention

**Question**

- Do you think the Social Web is just a temporary hype?
- Do you think the Social Web will substitute the classical marketing activities in the long term?
- Do you think the Social Web will become a major distribution channel?

**Literature**

Advertising and Search Content

• Advertising in the Social Web is appreciated by 19% of the respondents while it is rejected by 35%
• At least 28% already clicked on an ad banner
• Search content: information about the location and the service
• News of the hotel are rather uninteresting

Empirical Study

• 90% look online for hotel information, 23% in the Social Web
• Most important sites: hotel review portals and booking sites followed by social networks and media sharing platform
• Uninteresting: (micro)blogs and podcasts
• At least 12% book via smartphone