

One Year Master Thesis

Approaching Future Customer using Technological Advance in Hotel Industry

Written by: B.A. Andrea Pisarova

Supervised by: Richard Ek

Lund University, Campus Helsingborg, Jun 2012



Table of Content

Abstract.....	4
Acknowledgements.....	a
Introduction	b
Chapter 1:	e
Importance of Technology in Marketing Communication	e
Digital Communication in Hospitality Industry.....	f
Consumer of the New Generation	i
Evolution of the Consumer of the New Generation.....	i
The Future Consumers' Relationship to Technology	k
Chapter 2:	n
Brand Touch-point Wheel	n
BTW framework in Hospitality	q
Pre-purchase Experience	q
Purchase Experience.....	t
Post-purchase Experience	u
Conclusion of the Theoretical Part.....	w
Chapter 3	x
Empirical Research.....	x
Methodology.....	z
Analysis	cc
Summary of Research Findings	kk
Synthesis and Conclusion	mm
References:	pp
Books and Articles:.....	pp
Other Sources:	rr
Appendix:	uu
Transcript of Interview no. 1, Lars Pallisgaard, April, 19 th , 2012	uu
Transcript of Interview no. 2, Lina Lestrade, May, 10 th , 2012	yy

List of Tables

Table 1: Advantages and Disadvantages of Internet in Hospitality, Source: Kandampully, 2010	g
Table 2: Evolution of the Customer by Events, Source: Grail Research, 2011	j
Table 3: Comparative Case Study Structure.....	y

List of Figures

Figure 2: Digital Marketing Techniques, Source: SMB's, 2011	e
Figure 1: New Marketing Tactics Used by US Source: SMB's in the Past Year, April 2011.....	e
Figure 3: Evolution of the Consumer by Decades, Source: Grail Research, 2011	k
Figure 4: Changing consumers' attitude to technology, Source: Zero Moment of Truth – Macro Industry Study, Lecinski 2011	k
Figure 5: Stages of Brand Touch-point Wheel.....	n
Figure 6: Brand Touch-point Wheel, Davis and Longoria, 2003	o
Figure 7: BTW Framework using Digital Communications	p
Figure 8: Google+ Review Button.....	r
Figure 9: Representation of the User Clickstream	ff
Figure 10: Number of Guest Comments across Hotel Review Portals	ii
Figure 11: Hotel Evaluation by Guests, Tripadvisor.com, 2012	jj
Figure 12: Graphic Presentation of the Interviews.....	kk

List of Shortcuts

B2B – Business-to-business
BTW - Brand touch-point wheel
CRS – Computer Reservation Systems
FMOT – First Moment of Truth
OTA – Online Travel Agency
SEO – Search Engine Optimalization
SEM – Search Engine Marketing
WOM – Word-of-Mouth
ZMOT – Zero Moments Of Truth

Abstract

The purpose of the paper is to draw attention to the technological advance and its impact on marketing strategies in the hospitality industry. It examines the development of the profile of future consumers and their relationship towards technology. In order to approach the new consumer a brand touch-point wheel framework was used as a filter which enabled to analyze the communication between hotels and their guests as a process. The role of the model is to identify and explore all situations where organizations have the opportunity to influence consumer decision-making through technological innovation. Moreover it aims to evaluate effectiveness and potential of each digital channel for hospitality establishments and highlights their impact on consumer behavior.

The research results show that attracting today's consumer requires using a wide range of online media, social networks and mobile applications that work in a relationship involving all brand touch-points. Most importantly, aligning the marketing strategy properly with the corporate brand strategy through an integrated multi-channel campaign creates a sustainable competitive advantage. Each hotel may have different digital marketing strategy, however when a compelling message is sent, engaging the customer throughout the communication process, as a result, customer will identify with the brand, create an emotional connection and become loyal in a long run.

Keywords

Hospitality Management, Digital Marketing, Brand Touch-Point Wheel, Technology Innovation, Mobile Communication, Social Media

Acknowledgements

Before I had chosen this particular topic for my thesis I had to come a long way of thinking and brainstorming. Hospitality management consists of a wide range of exciting issues. Nevertheless once I made a bottom line I literally dived into literature with eagerness to grasp as much knowledge as possible about my research field from each perspective. My subject matter represents an exploration of interrelating academic branches and thus allows for broadness of focus and freedom of conclusion. The empirical research not only helped my thesis to become more applied and realistic, but also allowed me to gain an incredible insight into hotel management and enriched me with important business contacts.

Therefore I would like to express my big thank you to everyone who inspired, assisted and supported me throughout the process. First of all I would like to show my gratitude to my supervisor Richard Ek for his permanent feedback and valuable insights that helped me to produce a good quality research. This thesis would also not have been possible without two dedicated hotel managers Lars Pallisgaard and Lina Lestrade who transformed my theoretical model into practice and provided me with exquisite information. Finally, I owe sincere and earnest thankfulness my boyfriend Jozef who has been standing by me and motivated me to keep focus from the very beginning and importantly, a thank you to my family and friends who curiously wait to read my master piece.

Introduction

Managers have already realized that modern technology can play a powerful role in a hospitality organization. It not only provides support to employees to offer superior services, but also helps the managers to approach today's customer faster and more effectively. Thus, an innovative application of the technological advance leads to a temporal competitive advantage. However, customers of the new generation with their constantly changing needs and wants are already aware of the technological potential and in many cases take it for granted. (Kandampully 2010) That is why managers have to be very observant and one step ahead to meet their demands – to know the technological progress in their industry as well as their customer.

The preliminary purpose of my paper is to draw attention to the most current technological devices and their potential in the hospitality industry. Especially, I will depict the role of technology as a crucial factor in the customer's decision-making. I will also concentrate on the interaction between a brand and the consumer of the new generation through technological devices. Following the framework of the brand touch-point wheel (BTW) by consisting of consumer pre-purchase, purchase and post-purchase experience I will look into each of the touch points (such as booking, data mining, CRM, marketing applications and many other) and point out the newest technological applications and its effects on today's consumer in hospitality industry. The BTW framework will be used as a prime tool, since it enables me to look profoundly into brand communication as a process and to link technical devices available in the market to each customer interaction, making the communication between a company and consumer quicker, more effective and reliable.

There have been done numerous researches on technology in brand communication in the hospitality industry. Among the most recent academic works in this field contributed Law, et.al. (2009) or Muller (2010) emphasizing the importance of the digital communication as an effective tool for service oriented organizations. L  ppeniemi (2011), Daniels (2012) and Doman (2012) were predominantly concerned with mobile communication, whereas Syed-Ahmad, S.F., Murphy (2010), investigated using social networks for hotels and travel agencies and their influence on customer brand awareness. In this context some authors are more focused on the business perspective of the usage of technologies for hotel managers such as Pratt (2012) while some are more dealing with customer experience, customer satisfaction or hotel reputation, such as Law et.al. (2009). Several authors focused also on the application of the brand touch-point wheel into a service sector as a tool to enhance customer experience Yohn (2009) and

Davis et.al. (2003). Importantly, few writers have made an effort to identify the future customer profile in a business context. Carol et.al. (2002) investigated the correlation of the relationship to technology and age, Smith, K.T., (2012) talked about marketing strategies appropriate for the consumer of the new generation, Young and Hinsley (2012) identified Millennials as a consumer generation while Gurau (2012) described their loyalty compared to Generation X. In my paper I would like to point out that insofar researchers looked at these academic fields such as the profile of a future customer in hospitality, technological advance and the framework brand touch-point wheel in brand communication separately. Thus, I will show their close interrelation and application of these concepts for hotel managers and discuss them further in a comparative case study.

Research Aim:

This paper was designed to connect three concepts, as stated above, consumer profile of the new generation, technological advance and brand communication using the framework of brand touch-point wheel. Since the study is exploring a new research field my objective is to describe and address the different needs and wants of the future consumer by approaching him through digital brand communication from the point of choice of a hotel through service usage until the point of loyalty programs inducing post-purchase experience. There has been vast amount of information concerning consumer behavior in the hospitality sector, however a lack of research that relates this issue to the digital communication. Much research has been conducted with regard to brand communication in hospitality, but for many hotel managers it is a matter of dispatching single messages to the consumer. In order to achieve a sustainable competitive advantage, the use of the BTW makes it possible for managers to send out instead of single messages an integrated well-planned campaign to their customers. The uniqueness of the paper, thus, lies in particular in its future orientation and wide applicability in hotel industry. In order to fill the gap in the current marketing and hospitality research it is necessary to raise research questions as stated below.

Research Questions:

How the technological advance affects hotels in approaching the future consumer?

- What is the profile and relationship to technology of the future consumer?
- What are the situations where digital applications can help to influence future customer decision making in hospitality?

Empirical Research

For my primary research I will create a comparative case study by analyzing two hotels, their strategies and channels of approaching customers now and in the future through the usage of technological applications. The case study will deeply investigate background of hotels, their target customer profile and digital marketing communication activities. Data will be gathered by interviewing two hotel managers as well as by own netnographic research. Finally a synthesis and discussion will follow in order to apply the data into the theory. By choosing hotels that differ in their market positions and customer strategies I am able to demonstrate that the BTW framework is applicable across hospitality industry and across borders. Moreover it enables me to compare different managerial techniques and perspectives of applying technologies to marketing communication.

The Structure of the Paper

The paper is divided into three main chapters. The first section deals with the importance of the technological advance and introduces the profile of the consumer of the new generation. Reviewing available secondary literature I provide an outlook on technological trends and the future consumer in the hospitality industry. The second section introduces the brand touch-point wheel framework which will be used in approaching the needs and wants of the customer of the new generation in the theoretical level, which is later focused primarily on digital communication channels. The body of the thesis will consist of the methodology of the empirical study, the primary research analysis, synthesis and a discussion. Finally I will portray the issue of acceptance of technology in brand communication by both managers and customers.

Chapter 1:

“Ten years ago, less than 2% of the population was online. Now that number is over 25% globally, and close to 100% in many countries. Two-thirds of the world’s population has mobile phones. By 2020, 5 billion people will be on the web — and 10 billion people will have mobile phones.” –Twohill, L., Google’s global CMO¹

Importance of Technology in Marketing Communication

The aim of this chapter is to emphasize the role of the technological advance in communication between a hotel and customers in the hospitality industry. The usage of the internet is rapidly growing year by year. In December 2011 2.267 millions of users were connected online; making it 32.7% of the world’s population. Until year 2015 internet reaches almost 3 billion users; Internet (World Stats 2011). No wonder that internet is no longer a considered to be a trend, but rather it became a standard. Since consumers have already discovered the importance of online media marketers quickly gained a new way of approaching them. In the table below there are displayed today’s trends in marketing communication according to consumer preferences, (Bowes, 2011). The figures below portray the new marketing tactics and compare the use of the traditional marketing with digital and mobile marketing for consumer goods. Therefore it is necessary to mention that a statistics on marketing in the hospitality sector might bring slightly different results.

Figure 2: New Marketing Tactics Used by US
Source: SMB's in the Past Year, April 2011

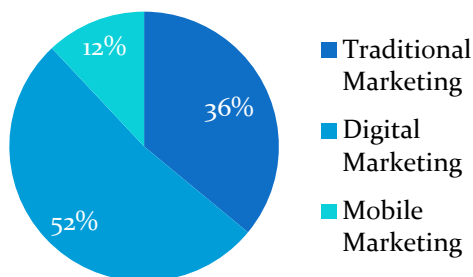
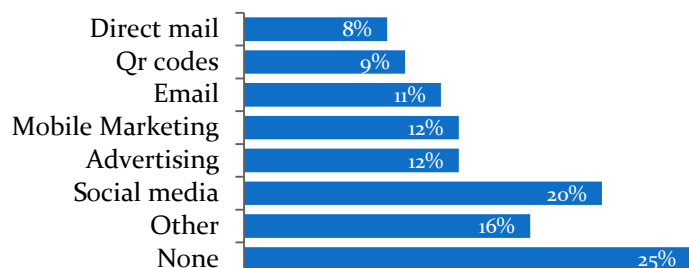


Figure 1: Digital Marketing Techniques, Source: SMB's, 2011



¹ Interviewed in Lecinski (2011)

From the Figure 1 we can clearly conclude that compared to mass media that were used as a major marketing communication in a close past, the potential of the new media such as social or mobile communications is rapidly growing. The Figure 2 differentiates among the different digital marketing channels and shows how popular they are among marketing managers. In a study written by Daniels, 43% of online consumers are social media fans or followers, (2012).

The mobile telephone market has become the most consumer responsive, many managers consider mobile communication as a 'wave of the future', (Lecinski 2011) and according to a study (Leppäniemi 2010) only 21% of top advertisers have mobile optimized websites. In spite of that Mobile Association in Asia² stated that out of 6 billion people on the planet 4.8 million own mobile phones but only 4.2 million have their own tooth brush. Despite to all above mentioned, according to (Economist 2010)³ even though online advertising is the fastest growing advertising medium, surprisingly only 13% of total advertising expenditures are currently being devoted to the internet. The next section portrays the importance and potential of digital communication as a main marketing tool in hospitality sector.

Digital Communication in Hospitality Industry

"The potential for global connectivity on the internet empowers customers and provides them with the necessary information and the medium to convert intentions into purchases".
(Wymbs 2000)

As already acknowledged in the previous section, the importance of online and mobile apps is unarguable. Let us now take a closer look at the hospitality sector in particular. According to survey by Wiker, S, Jerome, W., internet bookings of 46 top hotel chains constitute 54% of all chains computer reservation systems (CRS) bookings (2012). Moreover, the use of the online marketing channel has grown by 25% in the last four years, while the share of the global distribution system (GDS) travel agent channel and voice channel has decreased by 25% and 11.1% in the past four years, respectively. Many online travel agencies, OTA's, and hotel chains also reported several-fold increases in their mobile bookings in 2011, (Starkov 2011). Last year more than 4.7% of website visits and more than 3% of all bookings came from mobile devices across our hotel client portfolio, (Internet World Stats 2011). What regards social media 22% of hotel managers use social media as a revenue generating tool with a further 27% percent

² Mentioned in Daniells (2012)

³ Quoted in Smith (2012)

planning to do so over the next five years as reported by (Rauch 2012)⁴ then adds, social media will become more of a key component of Search Engine Results Page algorithms. Facebook posts are already integrated into Bing search and emerged with Google search and Google+. The amount of users researching travel from their mobile phone is expected to grow 51% next year, and by 2012 18% of mobile users will also book trips from their smart device, Wiker, S., Jerome, W. commented in his study on research done by Morgan Stanley (2012). Mobile Internet usage will surpass desktop Internet usage by 2014. Google reports⁵ that one out of five hotel queries come from mobile devices and that 65% compounded annual growth of mobile commerce from 2010 through 2014, to reach \$24 billion.

In this dynamic industry staying current with hotel digital marketing trends is a must. Quickly emerging Web centric opportunities on the market allow firms to ‘rise bar’ to customer expectations, speed, price and product or service differentiation. Kandampully discussed in his book the major advantages/disadvantages of internet applications for hospitality organizations which are summarized in the following table (2010):

Advantages of Internet Usage	Disadvantages of Internet Usage
Flexible marketing tool available 24/7	Cost of design and construction
Direct communication to the ultimate customers	Security issues (hackers, viruses)
Reduction in ‘no show’ bookings and cancellations, workload management	Difficulty to filter customers by hotels
Quicker transactions	
Reduction in promotional cost and waste	Employee adaptation to new systems
Provision of value-added products	

Table 1: Advantages and Disadvantages of Internet in Hospitality, Source: Kandampully, 2010

As Table 1 shows that using internet for marketing purposes in a hotel requires a significant amount of maintenance. However, due to all above mentioned arguments, a small or even a start-up hospitability establishment is able to make itself visible among experienced competition and attract sufficient attention of customers. Another great amenity of the internet usage is the versatility of data, (Pollock 1996). Once the data are captured it allows a variety of ways to be accessed and distributed (e.g. e-mail, compact disk, USB, part of direct marketing campaign, via

⁴ Interviewed in blog Hotelmarketing:

http://hotelmarketing.com/index.php/content/article/how_good_is_your_hotels_social_media, accessed May, 2012

⁵ In Manson, March 2012 Trend Briefing (2012)

World Wide Web databases or applications, interactive television and many more...). From the managerial perspective this allows for high degree of interactivity and user tracking. When we focus only on the marketing benefits of the Internet, it helps management not only to attract customer by sending out single messages through different means of digital communication, (Starkov 2011). Usually, the broadcast campaigns are being done by advertising agencies, while an in-house unit is responsible for point-of-purchase materials which naturally results in disconnection. Customers easily become overloaded by being 'bombarDED' with too many different marketing messages.

"Engagement with the customer today isn't just pouring a message down on customers' heads and hoping they get wet" – strategic adviser and former CMO of Office Tacker, M.⁶

The quote clearly suggests that managers have to constantly keep track of what their customers prefer, like or dislike about a particular product or service. With this approach management has to answer a question: How can we exchange value instead of just sending a message? With Internet one is able to gain a clear picture about customers' profiles, segment them and target them with one integrated campaign with a single-minded message to which they can relate and engage over long time. Customer then can be approached during the whole time he or she interacts with the company, service or product (Lecinski 2011). An integrated communications development process establishes a single timeline for every marketing initiative incorporates broadcast advertising, use of different online and offline media, hotel brochures or public relations tactics. It identifies different points in creative development when managers responsible for each of the components to come together to coordinate efforts and determine competing priorities, if necessary, (Yohn 2009). In order to better understand what applications are mostly used by consumers and which the most effective marketing source by hoteliers it is necessary to learn about the profile of the new consumer and the evolution of his behavioral patterns. More details concerning this issue are being presented in the next section of this chapter.

⁶ Interviewed in Lecinski (2011)

Consumer of the New Generation

“We have to think about how the lives of our end users are changing, whether that end user is a consumer, a patient, a doctor or anyone else. And to remain relevant we need to be part of their new ecosystem.” — Kadlec, K., Worldwide Vice President, Global Marketing Group, Johnson & Johnson, in (Lecinski 2011)

This chapter will clarify the evolution of the consumer behavioral trends from the WWII. until today and reaching to the future. Then it will address its focus on the consumer of the new generation in hospitality and his or her role into in today’s technologically advanced society. Consequently I will depict the consumer from the managerial perspective and outline integrated marketing strategies.

Evolution of the Consumer of the New Generation

As indicated with the introductory citation, the change of consumer behavior is unprecedented. Major innovations that used to change lifestyles once or twice in a generation are happening on an annual basis nowadays. No matter how established a brand is, it is important to stay relevant among consumers. During the last six decades consumer came through a significant evolution process. The values of an average consumer are switching together with his living conditions. Consumerism is growing by every decade transforming an idealist to a materialist, style conscious people towards environmentally conscious and socially responsible, (Gurau 2012). Nevertheless, one of the strongest influences on society had definitely technological progress. Although the effect has not been direct, because many individuals consider technology to be neutral and apolitical, it indeed contributed to benefit to political interests and economic developers, (Scanlan 2005). Instead, the production grew three fold quicker than population and manufacturers needed to sell their products globally. Meanwhile groundbreaking technological devices have been introduced to the market that offered the function of connecting population globally, enabled fast and efficient communication between companies and consumers.

Step by step society started to realize that digital communication is the best means for them to stay informed and up-to-date in this fast-pacing consumer world. Gradually behavioral patterns of individual consumers mirrored the industrial progress so that marketers were able to divide them into ‘consumer generations’. The newest generation is the one that will bring the main revenue to marketers of this century when targeted successfully. It is a generation that is comfortable with and even dependent on technology, having grown up in a digital world. They

are constantly multitasking with a variety of online products, are always connected and communicating through various social networking channels, often across countries and cultures which significantly influences their decision process. They appreciate simplicity and information transparency. One of their behavioral traits is also social responsibility, due to greater access to online information pool enabling them to share their opinions to anything, (Grail Research 2011). Table 2 below briefly describes an evolution of consumer behavioral patterns as a result of global societal, economic, political and technologic changes. The purpose of Table 2 is to provide a summary of behavioral traits of consumers which later serves for further implications for digital marketing strategies in the hospitality sector. In order to fulfil the purpose of this thesis and address the research question it is necessary to define what is meant by 'future consumer'. Even though the newest era of consumers, 'generation Alpha' is being already analyzed to some extent by researchers of consumer behavior, for marketing purposes the characteristics of generation Z were chosen for this thesis. According to Grail Research, generation Z that was born after year 2000 will create the main source of business revenue (2011) in the next decade. Gurau agrees with this opinion and adds that generation Alpha is still in the process of defining its characteristics and thus needs more time to serve as a reliable information for marketers (2012).

Baby-boomers	Generation X	Generation Y	Generation Z	New Generation
<ul style="list-style-type: none"> • (hippies, yuppies), • optimistic and financially stable world • social changes – Women’s Movement, Civil Rights Movement, Vietnam Peace • growing consumerism, idealistic and competitive character 	<ul style="list-style-type: none"> • (Latchkey Kids), • strong trend toward divorce and economic uncertainty, • popularity of the disco and hip-hop culture, • technologies such as cable TV, video games, • characterized as individualists and sceptical of authority 	<ul style="list-style-type: none"> • (Millenials), • Increasing international market, • emerging digital technologies • Instant communication via email or SMS, • characterized as optimistic, tech-comfortable, style-conscious, brand loyal 	<ul style="list-style-type: none"> • (net generation) • Security and environmental concerns, • widespread use of electronic gadgets, digital technologies, Internet and social networking, • characterized as tech-savvy, globally connected (in the virtual world), flexible and smarter, and tolerant of diverse cultures 	<ul style="list-style-type: none"> • (Gen Alpha, Gen I...), • world emerging from economic slowdown, • more tech-savvy, educated, and materialistic, still defining generation traits

Table 2: Evolution of the Customer by Events, Source: Grail Research, 2011

The Figure 3 below, on the other hand displays the development of the different consumer generations on a time scale. It also shows how the shift between the individual consumer generations accelerates in frequency while the duration of the generations shortens. This phenomenon can be caused due to the population growth together with the increasing amount of subcultures and tastes (Gurau 2012). Therefore this fact might cause difficulties for creating a

one simple consumer profile in the future, on the other hand marketers would have to focus on a narrow segment with distinct behavioral traits (Blissett 2009).

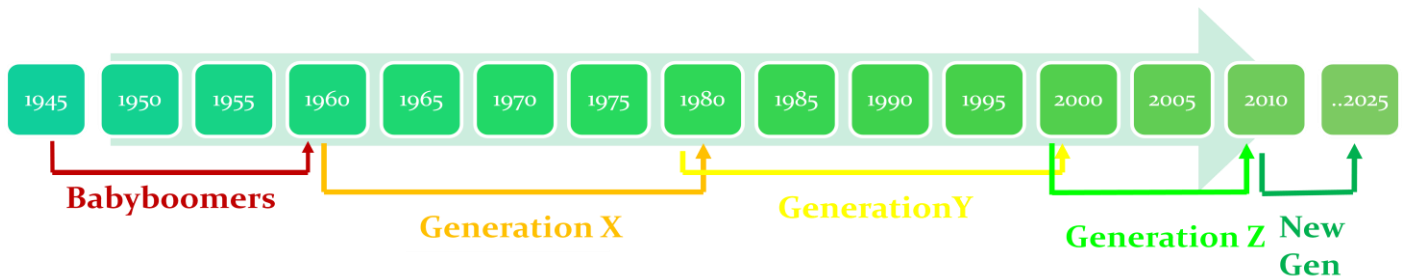


Figure 3: Evolution of the Consumer by Decades, Source: Grail Research, 2011

The Future Consumers' Relationship to Technology

According to (Internet World Stats 2011), 70% of US population tends to look through product or service reviews before purchase and 79% uses smart phone when making purchasing decisions. Additionally 83% of housewives do some online research after seeing TV commercials and today, 62% of shoppers say they search for deals online before at least half of their shopping trips, (Lecinski 2011). Consumers of today want to explore and think about how products or services can improve their lives. They are driven to bond with others to gain insights they need and enrich their relationships as they learn. Their motivation is a desire to take charge of their own identities and the well-being of their families and homes, (Smith 2012). A survey by Google⁷ analyses how consumers' interest in technology is growing. Only in course of a one year consumers doubled the number of sources they used for their purchase decision making as well as doubled occasions to use those sources, as portrayed in Figure 4.

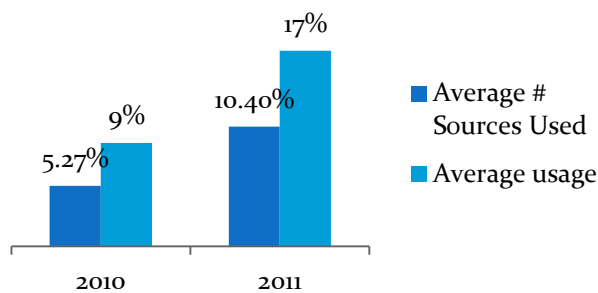


Figure 4: Changing consumers' attitude to technology, Source: Zero Moment of Truth - Macro Industry Study, Lecinski 2011

Lecinski attempted to describe creating consumer relationship through so called 'moments of truth' (2011). The term was primarily used by brand Procter and Gamble, the producer of

⁷ Results analyzed in Lecinski, J. , (2011)

consumer packaged goods. Their First Moment of Truth, or FMOT are the 3-7 seconds after a shopper first encounters a product on a store shelf (Gerba 2005). According to P&G this is the moment when marketers have the best chance of converting a browser into a buyer by appealing to their senses, values and emotions. The original FMOT consisted from three parts: stimulus (advertisement or word-of-mouth), shelf (actual hotel visit) and experience (loyalty program, recommendation). Young and Hinesly also tried to discover in their study when exactly the influence takes place as millennial shoppers move from undecided to decided (2012). She found that consumers seek to answer three main issues:

1. To get more information about a product or service
2. Review other's experiences with that product or service
3. Find convenient offers, discounts or coupons

After that they end up making two decisions: what to buy and where to buy it.

The FMOT model has been further translated into today's conditions to ZMOT (zero moment of truth) by Lecinski (2011). Zero moment is situated between the stimulus phase and the first moment of truth. Winning the zero moment of truth, happens online and anytime, consumers are willing to pull information instead of being pushed by marketers, an emotional connection is created and conversation is multi-way instead of two-way. Simply said, well known word-of-mouth, WOM, is done now online - quickly and effectively. Consumers talk directly through email, social networks, chat and IMs, post videos e.g on YouTube, review sites like TripAdvisor, DealerRater or Yelp, give comments and ratings to businesses on applications like Google Maps, visit message boards on corporate sites or home pages and online communities where consumers across segments share information, (Syed-Ahmad, Murphy 2010).

The mobile Web and social media will further establish the new breed of hyper-interactive travel consumers who demand "immediate, anywhere and anytime" customer engagement, information access, transaction capabilities, content sharing and customer service in real-time. Marketing to this new type of consumer requires a completely new multi-channel marketing approach where the hotel engages consumers at all touch points. A survey by Bowes has been designed to capture today's share of each of the online marketing media (2011). Marketers used to refer to consumer shopping as a linear funnel: "Consumers are driven through the broad opening by ads or other stimulus, then filter their choices, and gradually narrow a bottom line with a purchase." Surprisingly, this description is incomparable to the way of shopping today. As Lecinski in survey 'Shopper Sciences' points out, the behavior of individual shoppers now is iterative and nonlinear (2011). Shoppers don't always move through a funnel, narrowing

choices as they go. Having mobile internet applications, social networks or word-of-mouth at hand they can actually widen their choices. The more consumers learn the more options they consider and the higher probability to be seen. Even though the survey was conducted for consumer goods, this rule can be easily applied to hospitality as well. Having seen the individual popularity of online applications among consumers of the new generation, the next chapter shows their application in an integrated manner using the brand touch-point wheel in the hospitality industry.

Chapter 2:

This chapter I would like devote to those that involve the digital technology as the main source to approach the customer of the new generation. Firstly, I will introduce the original brand touch-point wheel (BTW) framework and apply it to the service sector following with a section that further focuses only on digital communication along the touch-point wheel in hospitality.

Brand Touch-point Wheel

The BTW framework was developed by Davis and Dunn as a tool to increase customer satisfaction and thus also customer loyalty, word-of-mouth, higher price points, higher degree of consumer forgiveness and most importantly, the profitability (2002). According to Davis and Dunn the brand touch-point are defined as all the situations that brand interacts with and makes an impression on consumers, employees and other stakeholders (2002). The authors differentiated among three distinct consumer experience segments as you can see on Figure 5. Each of the phases below has a significant influence on company's perception among its customers.

- Pre-purchase touch-points
- Purchase touch-points
- Post-purchase touch-points



Figure 5: Stages of Brand Touch-point Wheel

In general, an average company has about 30 up to 100 touch-points with its consumer (Davis et.al. 2003). The role of pre-purchase touch-points is to retain current customers, increase brand awareness, shape brand perceptions and drive its relevance in consumers' eyes. The purchase experience shall ideally transform consumer's knowledge about a certain product or service to actually buying it. The purpose of this phase is to maximize value of the offer and deliver it in the way it was promoted. Finally, after purchase it is important to leverage gained consumer's brand experience by different loyalty programs, surveys in order to evaluate whether the brand communication was effective. A successful brand can demonstrate high loyalty and advocacy, meaning not only repeated purchase but also endorsement to his or her acquaintances, (Davis

et.al. 2003). The sooner and more precisely managers discover their consumer touch-points the easier it is for them to adjust their strategies and attract consumers to their product or service.

The as mentioned before, the role of the framework is to influence consumer behavior by interacting with him or her in different situations or so called 'moments of truth'. Originally the BTW was designed to use all marketing and advertising vehicles to affect customer decision-making, see Figure 6. As the model presents, each phase involves different online and offline channels such as broadcast advertising or service presentation. In this paper, however, the BTW model is now moved forward. The main goal is to investigate the managerial perspective on technology usage in order to increase consumer loyalty and so to sustain competitive advantage. Multi-channel marketing has become the norm and the foundation for a smart direct online channel strategy. In this environment, the hotel website, search engine marketing campaigns (SEM), email marketing, social media presence or mobile operate in a symbiotic relationship. Unleashing a marketing promotional campaign simultaneously across all available marketing channels produces a compound effect and far greater returns than each individual marketing format (Wiker, Jerome 2012).

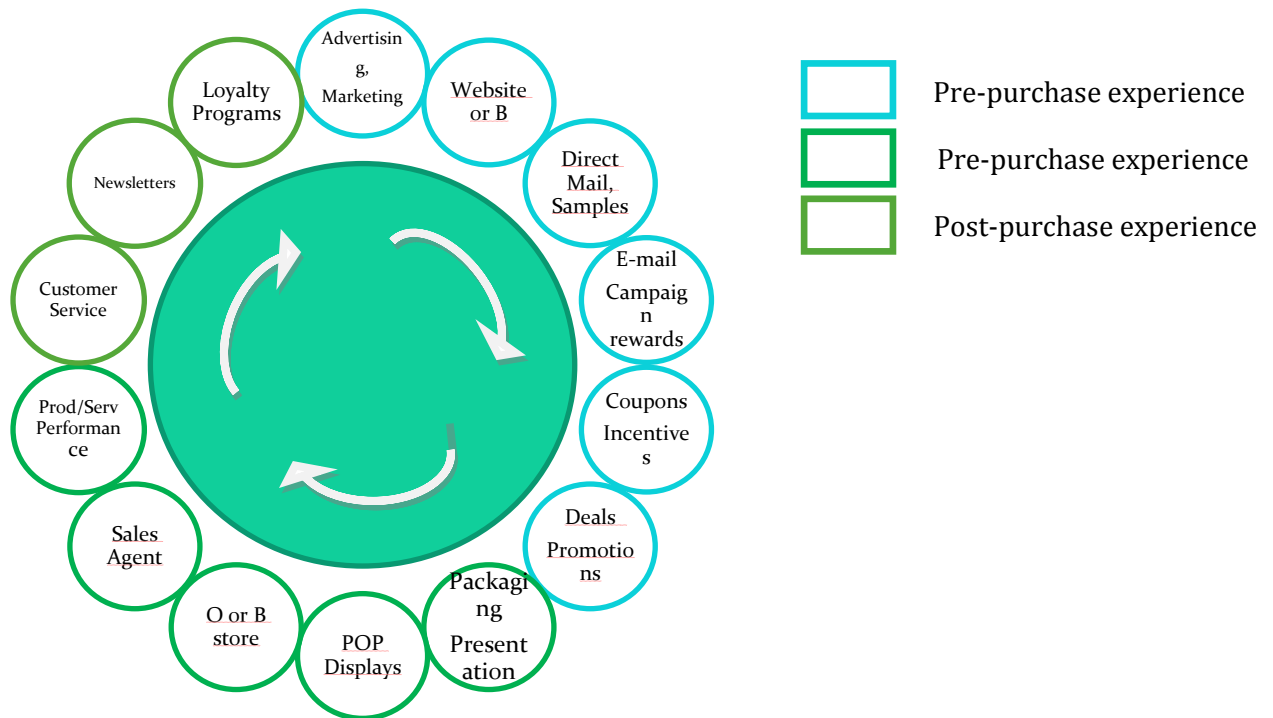


Figure 6: Brand Touch-point Wheel, Davis and Longoria, 2003

The service sector differs essentially from the product sector. There the employees are said to be the main asset that influences consumer behavior. Numerous authors have written about this

phenomena and some even linked this issue to the BTW framework such as (Glushko 2008). The author refers to service marketing as 'Queuing theory', which specifies how "back stage" parameters control the "front stage" experience. In other words this means focusing on the "intangible investments" in recruiting, training, and compensation of their employees, because their interaction with the customer is present in each touch-point. Although in my paper will exclude employees as well as other non-digital communication media from the framework, this allows me to focus primarily on the internet- and mobile-based future oriented marketing communication with the customer shaping his or her decision-making and resulting in quality customer experience and loyalty see Figure 7 below.

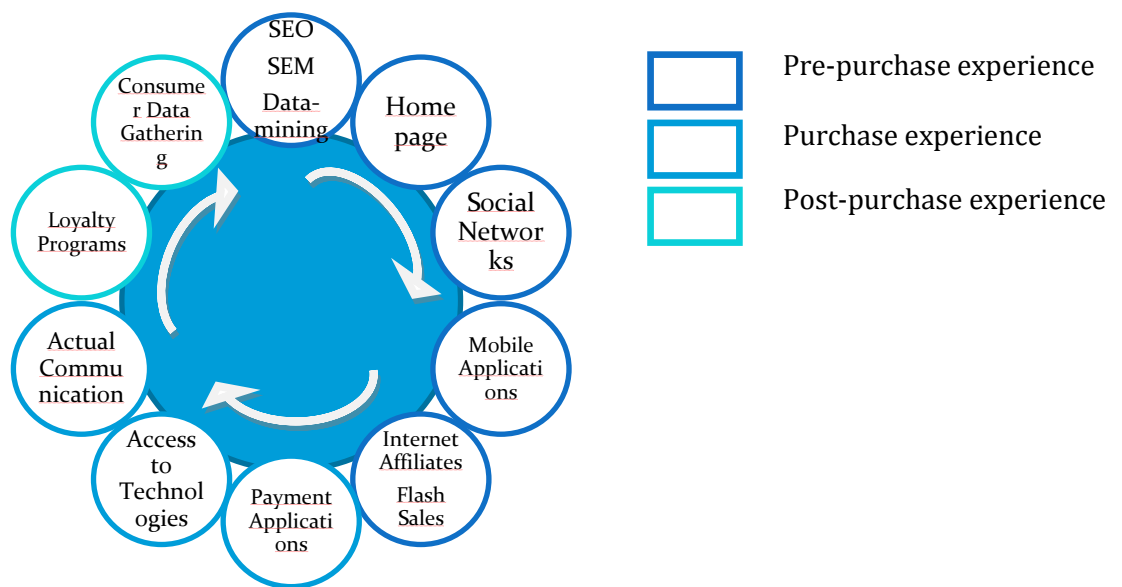


Figure 7: BTW Framework using Digital Communications

Which digital channels and formats do managers consider to be the most effective in reaching today's hyper-interactive travel consumers and generate the highest ROIs? Nowadays hoteliers might have heard of a buzzword 'SoLoMo' meaning SOcial, LOcal, and MObile, (Starkov 2011). Since consumers perform more than 3 billion local searches every month, and one in three mobile searches has a local intent while it is only one in five desktop searches, (Lecinski 2011). Nevertheless, connecting and integrating each digital channel with one coherent message aligned to one strategy is the way to attract today's consumer. The next section of the chapter applies the BTW framework into hospitality and investigates how managers can integrate their online marketing messages to approach today's consumer.

BTW framework in Hospitality

Although BTW framework has been widely used by companies to increase customer experience across product and service categories, it still lacks research that is concerned specifically with hospitality and hotels. Some authors have already slightly touched the differences between using BTW scheme in product market and service sector. Particularly Yohn wrote in his article about using the framework in relation to restaurants (2009). He suggested different ways to make an impression to customers such as restaurant layout, employee uniforms, service standards and procedures, tabletop pieces or food trays, children's menus or carryout packaging. However he mainly emphasized the use of the framework internally among employees, since as mentioned above, employees are the most valued asset in service business and create majority of the touch-points in each phase of the wheel. The author has not mentioned, though, any relation of the framework to technology. After introducing the future customer profile in the previous chapter, there is no wonder that technology will occupy the framework sooner or later. The next paragraphs will lead you through each phase of the BTW framework and suggest possible implementation of digital communication into marketing strategies.

Pre-purchase Experience

A consumer journey that once covered days, weeks or months just happened in a matter of seconds." — Matt Moog, Founder and CEO at ViewPoints Network, (Lecinski 2011)

As mentioned in the previous section of this chapter, pre-purchase phase consists of all situations a consumer can encounter before he or she makes a decision to purchase a product, in this case, to book a hotel room. According to a survey results⁸, travelling customer uses in average 10.2 sources to find accommodation or holiday and surprisingly 95% customers make a decision prior to purchase. These strong numbers indicate that paying a good attention to pre-purchase experience pays off especially in hospitality industry.

First of all, consumers are driven by stimulus, whether it is a broadcasted advertisement, search result or friends' recommendation. It is the first impulse that leads our acts to make a certain decision. As numerous literature sources connote word of mouth (WOM) has the greatest impact on his or her purchase decisions. According to Kokokusha, the influence WOM had on

⁸ Source: Google/Shopper Sciences, Zero Moment of Truth Industry Studies, U.S., April 2011, Lecinski (2011)

purchasing decision is 76% whether it is online or offline information pool (2007). Technology now allows for gaining a great control over customer at this point. Starkov claims that WOM is now digitally archived medium through forums, blogs, IM's, online communities or rating sites, hotel reviews are integrated with Google maps applications where consumers can gain their valuable first moment of truth (2011). Today's WOM differs, however, from the past, because the one-to-one conversation is now transformed into one-to-millions. Many managers are still skeptical towards peer reviews since there is a probability of creating a bad reputation. (Lecinski 2011) on the other hand claims that according to his survey 80% of online reviews obtain 4 to 5 stars (out of five). He also introduced a new 80/20 rule saying, 80% of reviews of a site is done by 20% of its customers. The negative comments create a minority of all reviews and moreover they add authenticity (Pallisgaard 2012).

Even Google made it easier for travelers to find the best fit for their accommodation within a couple of seconds - by integrating the social network Google+ with search results. Any customer with a Google+ account is now able to influence hotel reputation by a single click, see Figure 8. This app greatly contributed to spreading buzz and enabled faster decision making for consumers.

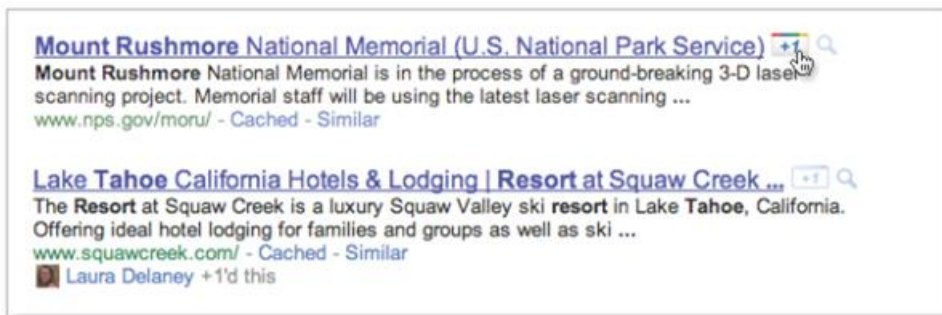


Figure 8: Google+ Review Button

Apart from WOM there are more other ways to make consumer consider a particular brand, one of them are search engines. What do actually people learn through search engines? According to (Lecinski 2011), 64% say they look for price, 44% say product or service characteristic or features and 37% say design or styling. Therefore being among the first hotels displayed in the search result to provide them this information is crucial for every manager. Search engine optimization or search engine marketing, (SEO and SEM), is no longer a trend, but rather a must. Customizing search results has even larger effect on consumer purchase behavior than ever before. One of the reasons are mobile searches that limit the number of search results displayed on screen. To the vast amount of promotional tools available for marketers now belong also new

applications tailor-made to fit needs of today's generation such as web site integration with local online directories such as e.g. Yahoo local or yellow pages, mobile applications, GPS systems, video portals, subliminal in-game advertising and many more, (Starkov 2011). SEO is thus all about making it easier for consumer to reach web sites they intend to. Modern managers now use cloud computing in order to create consumer access to information through shared data resources via software network. The end users can access cloud based applications through a web browsers or mobile apps, while the business software and data are stored on servers at a remote location.

Many managers consider mobile communication as a 'wave of the future', (Lecinski 2011). According to a study Leppäniemi only 21% of top advertisers have mobile optimized websites (2010). Certainly, the issue of operating an own mobile application is mainly relevant for hotel chains rather than independent or franchised hotels (Starkov 2011). Being mobile definitely brings a number of advantages such as being personal for the receiver and a mass market for the sender, permanently carried device, constituting the only on-mass media with an accurate audience mechanism measurement and the only mass media with a built-in payment mechanism. In the near future mobile Internet users will surpass the number of desktop Internet users, most importantly the number of smart phone users will exceed 100 million by 2014, (Muller 2010). Hotel guests and travel consumers in general are already mobile-ready, and hoteliers and travel suppliers have to respond adequately to this growing demand for mobile travel services.

Apart from mobile technologies, social networks will capture 11% of online ad spending in 2011, (Manson 2012). Since travelers enjoy talking about their experiences, discussing future plans and seeking the recommendations of others, social media sites have become important information resources. Such sites provide consumers with easy access to a pool of high-quality, topical and most importantly, unbiased information, generated not by commercial interests but by other consumers, thus helping to reduce, if not eliminate, the aforementioned credibility issue. As a result, social media have had an almost immediate and dramatic effect on how travel is researched, planned and bought (Rauch 2012)⁹. As more and more hotels launch Facebook

⁹ Interviewed in blog Hotelmarketing:

http://hotelmarketing.com/index.php/content/article/how_good_is_your_hotels_social_media, accessed May, 2012

pages that are interlinked with customized tabs, twitter accounts, YouTube channels, etc., it creates a great opportunity for managers to differentiate themselves while also providing value to their audience.

Since 2007, online travel agencies (OTA) have increased market share by 32% at the expense of the hotel direct online channel - hotel websites, Starkov states that it is 10 to 15 times cheaper to sell hotel rooms via the direct online channel compared to the OTA channel (2011). While popular in 2010 and 2011, flash sale and group buying sites have proven to be detrimental to the hotel industry from a pricing and branding perspective. Flash sales are defined as a time-limited offer of high discounts. Instead of using desperate measures to sell, it is advisable, in contrast, to preserve price rate parity and their brand by utilizing the most cost-effective distribution channels. The system is a win-win for both retailers and consumers: retailers can build brand loyalty and at the same time, sell surplus stock within a short span of time. However, a great number of authors single-mindedly agree that social buying sites, namely group buying, flash sales sites, member-only sites and last-minute mobile sites are all presenting themselves as the future of hotel distribution.

Purchase Experience

Purchase phase involves all situations when consumers' purchase decision can be influenced by marketer during the 'usage or experiencing' particular product or service. This is the stage when the hotel guest has just made his or her decision to book a room in a certain hotel. There is a range of different touch-points that might be significant for the consumer to become satisfied or on the other hand to reconsider his purchase: payment applications, electronic services in the hotel and the communication between customer and hotel.

There is a variety of ways how the consumer can pay for his services. The technological advance enabled to even broaden the portfolio of payment applications such as debits via mobile phone for example 'mobile wallet', near field communication (NFC) or smart payment mechanism. Avoiding cash payments brings up several benefits as for consumers, so for managers. A survey by AirPlus International highlighted that electronic payments directly link expenses, thus the expenditures are easier reportable and also they track customer information, for example consumers' GPS location during pre-booking (2012). These amenities also greatly contributed to the speed of the transaction process and so to the speed of the decision process of a customer, (Gurau 2012). The quicker and the more user-friendly a transaction becomes, the more difficult

it is for the consumer to change his or her attitude towards purchase. One may, however, still debate upon safety of online and mobile payment applications.

When referring to the first chapter where the consumer of the new generation was addressed, one of his or her main characteristic traits was their technological orientation. Consumers came through a behavioral evolution process and nowadays they not only want, but rather require an instant connection with outer world wherever they stay. A strong majority of hotels¹⁰ offers internet access, however still many perceive this offering as a sign of an 'over the top' service for which they charge extras. For instance 20% of Hilton's hotels charge a daily usage fee from \$6.95 per day to \$9.95 per day. Hotels magazine¹¹ recently pointed out that many hotels offer Internet for free but use it as a source of revenue by embedding ads into the browser. Nevertheless reaching to the future underrating these services might have detrimental effects on organizational reputation as well as on their revenue.

Last but not least, the actual communication between a hotel and its guest is a crucial part of purchase phase impacting consumer experience in the hotel. The way how a hotel handles customer complaints not only contributes to customer experience, but also assists hotel managers in measuring customer satisfaction and improving their services in the future, (Glushko 2008). As the internet become more user-friendly, online forums and communities were formed to share opinions globally. One of the biggest portals in hospitality undoubtedly belong Trip advisor, Travelocity.com, Oyster.com, Expedia.com, different social media and many more. The question however remains: are these channels suitable for handling customer complaints? According to a study by Changuk and Hu, customers are mostly unhappy with fundamental service failures such as declined service quality, but also rude employees (2004). Therefore it is still disputable whether online complaints improve guest experience during their stay and this could be discussed in more depth in further research.

Post-purchase Experience

Post-purchase stage is the final phase of the brand touch-point wheel, carrying enormous importance: to transform a satisfied customer to a loyal customer. Even though the personal contact with the hotel is already over, there are numerous touch-points when the

10 More than 90% of hotels according to American Hotel & Lodging Association survey on wireless Internet access, U.S.

11 Referred in Haile, E., (2012)

communication messages can be personalized and highly relevant for the customer. In a hospitality business two main touch-point categories were identified: loyalty programs and consumer data gathering tools. The next paragraphs will deal with each of these categories.

Although the characteristics of postmodern era indicate consumers are increasingly more likely to switch brands even if they express satisfaction with their current product or service supplier, consumer involvement can be achieved by offering loyalty programs with a high level of personalization and customization, (Gurau 2012). There are five main types of loyalty programs in hospitality, (Summers 2009):

- Appreciation program: Rewarding loyal customers with more of own product/service.
- Rewards program: Rewarding loyal customers with awards unrelated to that product/service.
- Partnership program: Marketing to another company's database and allowing loyal customers to chose their rewards from either company.
- Rebate program: Rewarding loyal customers incrementally according to their purchase activity.
- Affinity program: Building a lifetime value relationship with a customer based on mutual interests and not on the use of rewards.

Global connectivity of today's consumer is one of the drivers why hotel chain managers tend to adopt complex softwares regulating their loyalty programs. The main reason for doing so is being able to evoke a repeat purchase wherever the consumer stays. For B2B clients CRM systems are used as a prime complement to hotels sales force. Combining the right technology with the right strategy with a coherent personalized message results in temporal competitive advantage, (Starkov 2011).

Finally, great importance shall be devoted to channels that enable organizations to gain customer information and to improve services for their customers' next 'touch-point wheel journey'. Many managers become passive in this stage, (Veloutsou and McAlonan 2012). However, all they need to do is to listen to their guests and to actively react towards what they have heard from them. Today's technological advance together with triggering internet popularity among users creates the best conditions for post-purchase interactions. Veloutsou, C. and McAlonan, A., then adds that although many consumers are eager to comment on their stay at a hotel, managers still have to have strategies to engage every guest to post a rating or leave a review online (2012). Majority of modern hotels have online or SMS alerts reminding customer to evaluate their services.

Conclusion of the Theoretical Part

“Today, through high touch and high tech, we have a newfound ability to better understand our guests, their preferences and even the nature of each unique trip. By delivering a whole new definition of choice and personal services, we’re moving beyond a purely points arms race to instead build loyalty for life.” – Vondrasek, M., Senior Vice President, Distribution, Loyalty & Partnership Marketing at Starwood Hotels,

Multi-channel marketing is the foundation for a smart direct online channel strategy. In today’s fast-paced environment the hotel website, SEM campaigns, email marketing, social media presence, mobile work in a relationship. If, for example, a website promotion is launched, managers also should send an email to the hotel’s opt-in list, announce it on Twitter and Facebook, launch a paid search campaign and publish a blog posting via the hotel blog. All new special offers and events are automatically gathered in Content Management System (CMS). Customer communication is integrated throughout the process involving all touch-points and using a wide range of online media and applications.

Many hotel managers still consider the pre-purchase experience or the hotel booking the most critical moment for converting the customer. However, as discussed earlier, customer of the new generation are already familiar to electronic booking systems and take them for granted. In order to be customer-centric and reach a step ahead of competition it is necessary to use the knowledge about the target customer segment and adjust every means of communication to be personalized and accessible everywhere, plus to facilitate engagement and intimacy. By supplying a compelling brand experiences through multiple communication channels throughout the BTW process customers can identify with the brand in a long term and so become loyal.

Chapter 3

After examining each of the theoretical concepts separately, the empirical part of the paper will combine them together using the BTW framework and consequently them to real hospitality organizations. This chapter consists of introducing the research method, the methodology and finally the analysis, synthesis and conclusion.

Empirical Research

In an empirically oriented study the primary consideration is to acquire good knowledge about phenomenon through with the production and cautions interpretation of empirical material (Alvesson and Sköldbberg 2009).

During the process of evaluating applicability and usability of each research method for this thesis comparative case study was chosen as the most appropriate tool for analyzing data. As aforesaid, my aim is to address a gap in a particular research field trying to combine three theoretical concepts: the new customer profile, technology in hospitality and marketing communication using the framework of brand touch-point wheel. Since the framework looks at the marketing as a process, I decided that the best would be to analyze the concepts by applying them into hotel cases.

Case study serves as an illustration of a general principle, namely LeCompte et.al. states that case study is a 'study of an instance in action'(1992). As Cohen, et.al. connotes, "the comparative method is suitable in the early stages of development of a branch of science" (2007). Therefore my process of discovering a new study field requires in depth theoretical analysis but also breaking down the complexity of a problem by analyzing it through practice. It seeks to speak for itself rather than to be largely interpreted and judged by researcher and involves looking at a phenomenon in its real-life context, (Cohen et.al. 2007). Even though case studies are considered to be one of the qualitative methods, they describe a problematique in detail with a narrow focus combining subjective and objective data. Therefore it is necessary to avoid biased or selecting information supporting only a particular conclusion and try to blend both information in which respondents agreed and also disagreed. Therefore the nature of the science has two major roles:

- Firstly to organize, theorize and structure information from different academic fields to achieve a comprehensive view on a new subject by using models and frameworks.

- Secondly to apply given theoretical model into practice which enables its easier understanding and using by public and highlighting issues for further research, LeCompte et.al., (1992).

Case study is one of the most efficient methods in utilizing tacit or practical knowledge by implying discussed theory to real companies in a parallel, (Smith 1991)¹². It can be used even if there is lack of understanding of a studied phenomenon. The research in my thesis developed a new theoretical model which requires its adaptation into empirical practice. Since there is lack of comprehensive view on the future consumers' relationship towards technology in hospitality, a case study research design fits very well as a methodology. Cohen, L., et.al., notes that with sufficient data, even if one does not have a preconceived idea of their significance, still important relationships and laws can be discovered by the alert observer (2007). The nature of the comparative case study is primarily descriptive and exploratory since no hypothesis was stated at the beginning. One could also confront with interpretative approach, because the analyzed material develops conceptual categories deductively; and evaluative approach, as it explains an importance of particular trends and judges applied organizational techniques. The aim of the study is merely is to apply the discussed theory into practice, critically comment and point out current issues that may be a subject for further analysis. In the table below is briefly sketched the structure of the data analysis.

Comparison Aspects	Case 1: Hotel Wakeup Copenhagen	Case 2: Hotel Renaissance
Market Conditions	Data	Data
Pre-purchase Experience	Data	Data
Purchase Experience	Data	Data
Post-purchase Experience	Data	Data

Table 3: Comparative Case Study Structure

Case study method might not produce general findings that are universally representative (Veal 2011), but it can provide an understanding of the phenomenon in the hospitality field. It enables application and further development of the theoretical framework and might produce interesting findings towards understanding managerial strategies in approaching the customer of the new generation. Case studies thus aim to generate an examination of a case and then engage the findings into theoretical analysis, (Bryman 2001). In this paper the method helps to understand the process how managers adapt their digital communication to the evolving

¹² Referenced in Cohen et.al, (2007)

consumer needs and wants. Conclusion of case studies can lead to theoretical statements, but in order to be generalized they need to be supported by a sufficient amount of evidence.

Methodology

The previous section has already introduced the method used for the empirical research, meaning the range of possible approaches to gather data that are used to be a basis for an interpretation and explanation of above discussed theory. This section will examine methodology which refers to the individual techniques that a certain method involves.

The main source of information for the individual case studies is derived from semi-structured interviews complemented by an ethnographic analysis of hotels' websites, social media, customer review portals online press releases, publications and corporate information. Using a multiple-methods approach increases the number of detailed accounts available for analysis (Cohen et.al. (2007). Researchers who conduct interviews as a part of their research employ also other method that assists them to support gathered qualitative data. Collecting and analyzing texts or documents in conjunction with other qualitative methods like interview allows for a considerable variability of data and thus higher chances of deriving theoretical relationships, (Bryman 2001).

Interviews

Interview is defined as an inter-subjective exchange of views between two or more people on a topic of mutual interest (Kvalle 1996)¹³. It is a flexible tool for data collection that enables using multi-sensory channels where one has to pay attention to the structure and manner of the interviews, the role of the interviewer as well as to the ways of analyzing data. According to the level of control a researcher wants to have over the content and format of the interview I considered semi-structured interviews as the most appropriate choice. This type of interviews carries advantages of both structured interview as well as unstructured interviews, (Cohen et.al., 2007). The structure of the former is the same for each respondent so that the difference in answers is really mirroring the essence of the respondent's opinions which enables it to be compared to the individual responses. The possible explanation of any questions is more standardized with a little room for deviation from the schedule, (Cohen et. al. 2007). On the other hand, the interviewer is encouraged to ask further questions when necessary to gain

¹³ Referenced in Cohen et.al, (2007)

deeper insights, explanations or supporting information on a discussed subject. The final product is then qualitative interview data and at the same time a more detached standardized form is assumed to produce more reliable data, (LeCompte et.al. 1992)

When seeking for the most appropriate candidates for the interviews for comparative case study, a number of requirements had to be met so that the cases administer enough similarities and differences for proper comparison and conclusion. Even though finding the right respondents for my interviews was a challenge, I was lucky and got to meet two hotel managers: Lars Palisgaard, the managing director of the hotel Wakeup Copenhagen in Denmark and the CMO of Marriott group for Sweden and Marketing and Sales Manager for Hotel Renaissance, Lina Lestrade. Each of the hospitality organizations come from a different background and operate within different markets thus applies somewhat dissimilar strategies for marketing communication and seems to conform to this type of methodology.

I conducted two interviews and underwent a personal tour of both hotels with guidance. The interviews took about 40-60 minutes each, consisted of four main parts: general questions related to marketing and hotel operations followed by the three phases of the BTW framework. The structure of the interviews enabled comparing answers of the individual issues as well as it provided space for managers to express their opinions and for my additional inquires. My research question draws clearly a direction of investigation of the interview: "How the technological advance affects hotels in approaching the future consumer?" The purpose of the interview, however, is to draw attention on the inner attitude of an individual and reveal solutions or strategies for the particular problematique as well as bringing new ideas and insights in order to gain different perspectives and depict opportunities for further research. The acquired empirical material gives an opportunity to the researcher to evaluate effectiveness of each of the studied digital communication channels.

Nethnographic Research

As briefly mentioned earlier in this research supporting research is needed in order to substantiate what has been proclaimed in the interviews. Since my objective is to explore digital communication, a nethnographic research was selected as the complementary empirical material. It is rather a new scientific method developed together with growing online communication and social media. The nethnography is similar to ethnographic research but it uses computer mediated communication (CMC) as the main tool in gaining and processing data. According to Jansen et.al. nethnography fits well in the front-end stages of innovation and in the

discovery phases of marketing and brand management (2009). Both ethnography and nethnography are naturalistic, immersive, descriptive, multi-method, adaptable, and focused on context, however only nethnography treats online communications not as mere “content,” but as a source of social interaction for interpretation, (Kozinets 2010). On the other hand nethnography requires screening many different communications to a particular subject that are happening all at once globally, together with advertising and spam. More information is not always better and investigating this great amount of data appears to be time consuming for researchers. Providing one selects only a random amount of online data as a sample the results easily can become biased and inaccurate (Jansen et.al. 2009).

The digital communication is viewed as a process in this research; therefore each phase would require a slightly different technique to obtain supporting information and each of the communication channels will be analyzed separately. For the pre-purchase experience the most suitable method is to screen through the individual touch-points such as examining web site ratings by using a global web metrics provider alexa.com, analyzing social media accounts on Facebook and Twitter, testing mobile applications for booking and researching flash sales offers. Purchase experience requires analyzing hotels’ website features as well as payment applications. Finally in the post-purchase part I compare review portals used by hotel guests, determine the popularity of each hotel among consumers and estimate the response rate of managers to their ratings. It is necessary to point out that this research will not serve as an evaluation of the effectiveness of online channels.

Validity and Reliability

As mentioned earlier consumer attitudes and behavior are subject to change over time due to technological, economical or societal influences, (Grail Research 2011). Therefore although some actions can be taken to acquire a certain level of generalizability, research findings relate only to the subjects involved, and the place the research was carried out, (Bryman 2001). Also, when dealing with qualitative data, the subjectivity of respondents, including their opinions and attitudes contribute to a degree of bias, (Alvesson and Sköldbberg 2009). However it is not correct to declare a research invalid if it is not generalizable, controllable or replicable. Maxwell¹⁴ argues that ‘understanding’ is more important in qualitative research since validity attaches to accounts not to methods or methodology of a research (1992). The study results

¹⁴ Referenced in Cohen et.al. (2007)

must carry a certain level of confidence. The validity of data in this research corresponds with an expression by Blumenfeld-Jones¹⁵, 'descriptive validity', which represents the objectively factual accuracy of gathered data, rewritten as produced (1995). This allows me to match the studied theory with applied empirical material and to draw a conclusion. The next section deals with the analysis of the respective cases of which the comparisons will be made.

Analysis

This section is focused on the analysis of the interviews and the ethnographic observations. To begin with, the first paragraphs will introduce the background information of the hotels and the different markets they operate in. Afterwards the findings will be summarized, synthesised and generalized.

The Arp-Hansen Hotel Group is a family-owned hotel group founded in 1960 consisting of 11 centrally located hotels in Copenhagen. The hotels contribute to 20% of the room capacity in Copenhagen. They greatly vary in style; however all of them focus on the experiencing history and atmosphere for their guests. The Arp-Hansen name does not serve as a brand signature for individual customers, but is known only in the B2B sector. Wakeup Copenhagen was built in 2007 as a two-star low budget hotel. With its 510 rooms it is one of the largest hotels in the group as well as in Denmark. More than half of its customers are business travellers and people who are aware of economic slowdown. The hotel tries to target mainly companies, but its segments are limited by the two-star service quality. In order to get to know their customers, Wakeup Copenhagen conducts own survey through external agencies. Their B2C marketing is centrally organized by Arp-Hansen Group and mainly oriented on broadcast advertisements in television, radio and newspapers, however also their optimised web page serves as a great promotional tool. Palisgaard says that he sees a great potential in the digital communication as a way to approach his customers. He is aware that customers are searching for convenience of non-stop connectivity and are willing to communicate online, nonetheless the hotel is still in its starting position of the life-cycle and it will need some time to develop it properly (2012).

The Marriott Int. Group, based in Washington, U.S franchising more than 3,700 properties worldwide since 1927. Its hotels are divided into 19 sub-brands one of which is the Hotel Renaissance in Malmo. All hotels operate by following the same service standards however each

¹⁵ Referenced in Cohen et.al. (2007)

sub-brand keeps its specific characteristic. Hotel Renaissance is a life-style boutique with its distinctive design and it was built to show its guests the local culture. While in case of Arp-Hansen the corporate name was not well known among customers, Marriott provides its franchisees with a strong brand umbrella together with other benefits such as marketing activities or customer research. Hotel Renaissance has no specific target customer; their aim is principally to fill the hotel during high and low seasons, during the week and weekends. That is why their customers vary from business traveller to leisure traveller or families according to the time of the year. Lestrade pointed out in the interview that it is difficult to control what customers they attract because they use a wide variety of direct and indirect communication channels (2012). As acknowledged, customer trends are being researched by Marriott Int. which are then shared and discussed in local meetings and consequently localized and applied. Hotel Renaissance gets to know its customer also through hotel evaluations and online tracking that shows how customer expectations changed or which communication channels are more preferred to book a room. The more detailed research about consumer trends is done by the Marriott corporate research force. There are more ways of grasping customer awareness, according to Lestrade, 20% of customers are gained through their web site, about 14% are contributions from OTA's and the rest comes from corporate Marriott initiatives (2012). There is just small amount of offline advertising for Hotel Renaissance and particularly in industry magazines. Digital communication together with WOM and sales force are the most valued tool of approaching today's customer for Marriott.

Pre-Purchase Experience

Both hotels have a broad range of strategies and channels attempting to shape consumer decision when considering a hotel booking. Each of the managers acknowledged gaining customer information as a crucial factor in approaching today's and future customer. Wakeup Copenhagen as well as Marriott are experienced in using SEO in order to increase the ease of customer accessibility and to despatch personalized messages, moreover both also track their customer online reviews and consider it as a relevant source of customer information. When comparing hotels' website ranking using web metrics tool alexa.com, I found out that the website of Hotel Renaissance cannot be investigated separately because every visitor is firstly displayed the corporate web of Marriott.com. According to alexa.com, the three-month traffic

global ranking of the website is #1,339¹⁶. In average users view of 4.4 pages of this site per day and the typical time spent for a visit is approximately five minutes on each page view. When loading the site through a smart phone it displayed an easy-to navigate booking interface. Wakeupcopenhagen.com traffic rank is #1,905,015. Visitors of this site view daily 3.1 pages with typical time of 51 second. The bounce rate of the site is 25% which means that 25% of visits consist of only one page view. The website in a smart phone is showing the same content as through computer. The lower popularity can be caused by the simplicity of the site with a low amount of content, the distinct branding strategy and the fact that the hotel was opened only recently. To sum up, even though it is rather difficult to compare a global hotel chain website with an individual hotel site, the observation showed factors that increase or decrease respectively consumer interest to browse. The more user-friendly layout a site has and the richer it is content-wise, the higher the amount of time a user spends viewing it.

For both hotels is the home page one of their main revenue generating channels. For Wakeup Copenhagen it contributes to incredible 83% of all bookings even though the page is in its developing process to innovate its content and make it more mobile user-friendly. Hotel Renaissance, on the other hand, owns well maintained web domain due to the fact the hotel is a part of a Marriott franchise umbrella that automatically provides its franchisees with modern website schemes that make sure every customer can recognize the Marriott brand with the quality standards behind it. When critically observing the hotel home pages myself, I found the site Marriott.com equipped with a new downloadable mobile app, however according to Lestrade there is no strategy yet how to promote usage of the mobile app to new customers (2012). Browsing the page is simple and aligned with the main Marriott corporate scheme, only the content is adjusted so that it provides local information and even a guide with tips for tourists. The page of Wakeup Copenhagen is well organized and in line with the style of the hotel. As mentioned above, it lacks enough content and mobile interface so far. Below, Figure 9 presents an overview of the site user used immediately preceding the hotel home page. Both hotels show a similar tendency of the users' click streams. As seen from the graph a big role now play search engines, Facebook or Trip Advisor in browsing towards the hotel home page.

¹⁶ The number was derived from the website popularity (average daily visitors) and average visitor page view estimates. The site with the highest ranking is numbered as #1, Alexa.com, (2012)

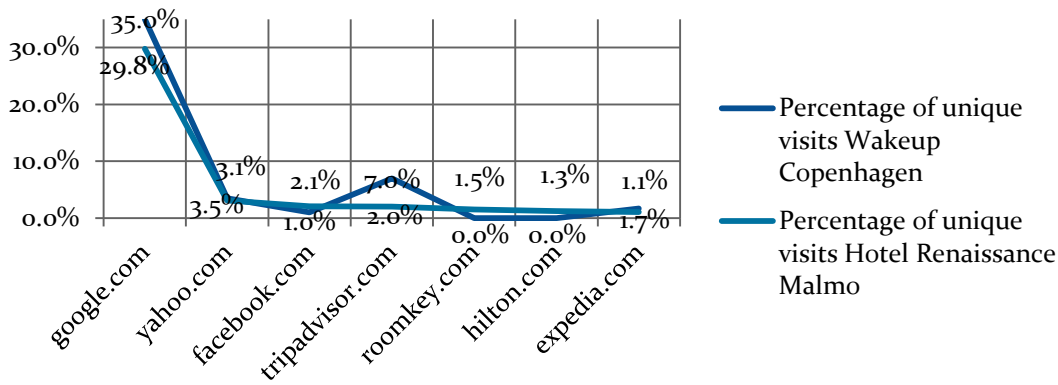


Figure 9: Representation of the User Clickstream

What regards social networks Hotel Renaissance as well as hotel Wakeup Copenhagen are still in a planning phase of their own Facebook and Twitter accounts. The results of my netnographic analysis showed that both hotels have already received some awareness on social networks. Wakeup Copenhagen has two accounts on Facebook, from which one serves as an employee portal and one as an info-page created by a third party, but has attracted already over 200 fans. Even though its manager was not aware of the presence of these accounts, only the opportunity to tag guests' name to a place serves as a positive recommendation and increases level of recognition of the brand. Hotel Renaissance also owns several accounts on social networks; however the main portal is in its early beginnings with a negligible number of fans or followers. Both managers have encountered increase in interest among their customers to talk and comment on their stays; however both managers also emphasized that in order to run this channel successfully it is inevitable to have strategies planned upfront, in the best case scenario, employing a person taking care of it. "Operating a page that is not properly updated may cause more harm for the hotel reputation", (Lestrade 2012).

The second most highly valued source of customer awareness are internet affiliates for Hotel Renaissance. The hotel cooperates with long list of partners of all kinds; whether those are OTA's, partner hotels, booking domains, tourist information sties or airlines from which they gain benefits from direct and indirect marketing. Direct marketing is fully organized, controlled, and measurable while indirect is caused by promotions of secondary agencies to other sites that allow for higher spectrum of visibility, but are impossible to track. Wakeup Copenhagen is also very keen on cooperating with affiliate partners. Apart from OTA's they benefit mainly from airline contracts and memberships with global hotel alliances such as Supranational Hotels that provide the hotel with deal distribution systems (DDS) and other amenities. One of quite sensitive issues for managers were flash sites. Both hotels consider them to be more detrimental since customers' perception on the low price might decrease their expectations on the service

quality. Although flash sites rapidly increase customer awareness, they also decrease repetitive purchase rate, (Lestrade 2012). Scientific publications also incline to this view when talking about strong brands. Nobel in her article reports that flash sites not only dilute brands, but also may attract wrong customer segment or attract customers too soon and too many at the same time (2011). Moreover, it dramatically increases expenses for a short period of time and thus decreases profit margins, and also proportionally increases the web site traffic only by a very little percentage since the product or service is purchased indirectly through a flash site.

Purchase Experience

One of the possibilities to refine customers' experience after making their purchase decision is facilitating their payment process for the hotel service. As discussed in the previous chapter electronic payments or so called 'pre-paid bookings' are the most common procedures nowadays, (Gurau 2012). Both of the hotels are open to any kind of payment, although Hotel Wakeup Copenhagen charges extra for paying at the hotel not via their electronic systems for additional administration. Customers may also increase or decrease their level of satisfaction based on this service and share it with others simultaneously. In Wakeup Copenhagen customer regarded their complaints mainly to problems with overbooking or 'mess' with reservations due to which they had to be transferred to different hospitality establishment.¹⁷ In Hotel Renaissance some guests considered the site "slow, complicated and confusing in reservations"¹⁸ also encountered lost bookings due to a system error. Generally said, payment applications are convenient for both, the hotels and their guests on one hand, however on the other hand transactions may stand under a certain risk due to system and security issues.

Another substantial amenity in this stage is internet at hotel rooms. According to Palisgaard, 95% of their customers carry with them laptops or smart phones at Wakeup Copenhagen whether they are younger or older, business or leisure travellers (2012). Each of the hotel representatives is aware of this fact therefore each chain also provides their guests with free Wi-Fi service. Surprisingly 40% hotel chains comprising all price category hotels still charge daily fees for broad band usage, (Hotel Chatter 2012).

¹⁷ Extracted from Tripadvisor.com

¹⁸ Extracted from Alexa.com

Although there is a wide spectrum of digital 'motivations' managers can expose their customer to before he or she decides for a certain hotel booking, as soon as a customer makes a decision both managers agreed that it becomes tougher to assure consumers' satisfaction digitally. At this point the service sector is different compared to retail, because the most of the customer experience is created by humans. This applies for both hotels - if a customer request or complaint arrives, every time there is a person available whose task is to solve the issue right away. As Lestrade pointed out, "it is important to solve each problem immediately so that the customer knows we care" (2012). However one of useful tools for handling customer demands is the Marriott hotline service that is open non-stop all over the world.

Post-Purchase Experience

When the respondents were asked how they transform a satisfied customer to a loyal customer, both hotels are offering a great variety of corporate customer loyalty programs for their repetitive guests. Wakeup Copenhagen, however, does not benefit from their loyalty programs since the nature of their business requires fixed prices. On the contrary, the reward system in Marriott Group flexibly covers each of their sub-brands globally. Recently it gained a tremendous popularity among customers due to a life-time accumulation of incentives and was twice awarded first prize by the Frequent Traveller Awards¹⁹. On the other hand, as already mentioned, Wakeup Copenhagen has its strengths in B2B communication. The relationships with members of loyalty programs from all hotels are coordinated through CRM systems of the Arp-Hansen Group. This ensures that every member of the community, whether Danish or international, is regularly approached by sales team and offered convenient packages.

The last stage of the framework, dealing with customer reviews, helps hotels to prepare for the next leap of the brand touch-point wheel. Both have tools to engage their customer to contribute with feedback. In Wakeup Copenhagen customers receive brochures asking for review on Trip Advisor or other review portals and Hotel Renaissance sends out email alerts reminding to evaluate hotel service and post their ratings online. The marketing manager Lestrade said that "writing reviews after customer stay actually increases the number of negative comments, but it still gives other reviewers more real look on our service" (2012). With this opinion agrees also the manager of Wakeup Copenhagen. The customer complaints in the post-purchase phase are

¹⁹ Excerpt from Marriott Corporate News Center: <http://news.marriott.com/2011/05/marriott-rewards-tops-hotel-loyalty-programs-at-the-2011-frequent-traveler-awards.html> accessed May 2012.

usually due to inaccurate expectations, since their guests very often book their rooms through a travel agent or company secretary and do not get to know that the room has only 12 quadrate meters. “The equation is that if the encounter is bigger than the expectation what you get you are a happy guest, if it’s oppositely, you are disappointed,” (Pallisgaard 2012). From nethnographic assessment of online reviews for hotels I saw a significant extrapolation. Figure 10 below shows that Wakeup Copenhagen has significantly more reviews then Hotel Renaissance, however also a proportionally higher number of negative comments. Also a netnographic analysis on Tripadvisor.com showed an interesting finding. When comparing the hotel response rate on customer comments, Hotel Renaissance appeared to reply to more frequently than Wakeup Copenhagen. Moreover, when separating guest reviews into groups of positive feedback (consisting of “excellent”, “very good” and “average”) and negative (consisting of “poor” and “terrible”) as seen Figure 11, Wakeup Copenhagen and Hotel Renaissance are responsive to 17% and 71% of comments respectively when it comes to negative complaints, but also 5% and 7% respectively when it comes to positive feedback. The responses to negative reviews are more oriented as a post-service quality assurance, apologies or explaining the problem, while responses to positive are more standardized expressions of gratitude for a favourable customer feedback.

Figure 10: Number of Guest Comments across Hotel Review Portals

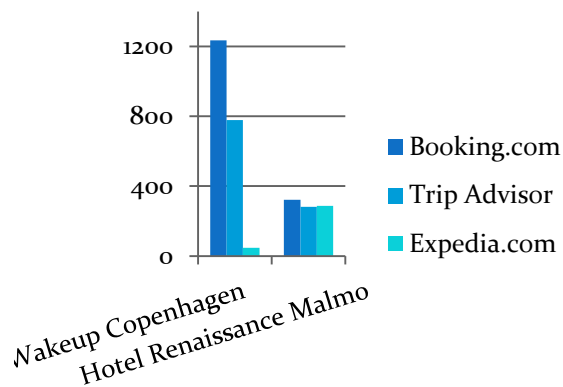
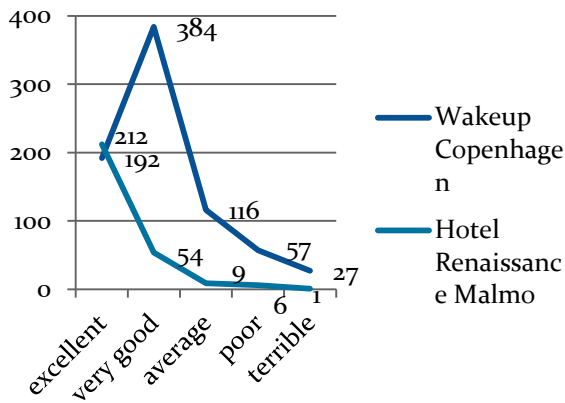


Figure 11: Hotel Evaluation by Guests, Tripadvisor.com, 2012



Finally managers were asked to elaborate which stage of the framework is the most crucial for creating customer loyalty. Surprisingly, in this case managerial opinions differed. The representative for Wakeup Copenhagen believes that the post-purchase experience is the most important factor. “It is not about loyalty programs themselves, but experiencing the hotel and its services personally helps to overcome customer pre-perceptions on ‘cheap’ hotel. After the first stay we have a lot of repeat business” said (Pallisgaard 2012). In Hotel Renaissance consider every part of the wheel very important for approaching a consumer. Lestrade declared that “if a hotel is not good at communication with customers prior their purchase and don’t convince them to get into the hotel, in that stage the process stops (2012). Later it is important not to leave them alone during their stay, because now is the chance to prove that you are the right service provider and they are at a good hotel. But in the final stage, when the guest leaves, he or she starts to be completely honest with you. They are not so honest when they are at the hotel very often. So it is extremely important to not forget about the guest, because even if he is not currently staying at your hotel he is still your guest. Therefore I think all the three phases are very important and you cannot focus only on one of them”. What can be taken out from these responses is that both managers look at their strategies through their brands and their customers. These two variables are the main influences in corporate marketing decisions and to which each policy, approach or tactics are to be aligned.

For easier understanding of what has been discussed in this section, below is a graphic presentation of qualitative data obtained from respondents. From the table can be clearly seen the importance of the individual digital channels for hotel managers. For constructing the graph no additional quantitative survey was used, only information that directly arose from the interviews. As a part of the questions respondents were to evaluate the effectiveness of each

channel. The lines demonstrate similar trends in the pre-purchase and purchase stages of the framework for each hotel whereas contradictory trends in the post-purchase stage. As stated earlier, Wakeup Copenhagen considers the post-purchase phase as the most important due to the fact that building loyalty in low budget hotel creates a biggest challenge and can be done by listening to customer feedback rather than using traditional loyalty programs. Both hotels referred to cooperation with online affiliates and handling complaints as extremely effective channels in creating positive customer experience and building loyalty. On the other hand both hotels have not developed their social media and mobile applications yet, however both saw a potential in this type of digital communication and are in the process of planning them for the nearest future.

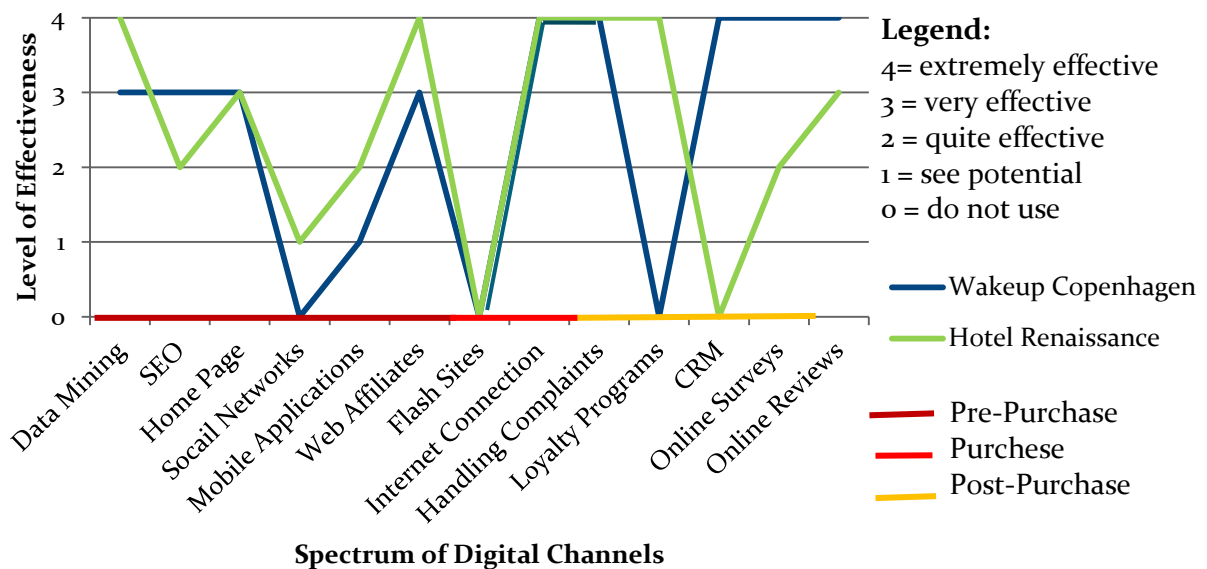


Figure 12: Graphic Presentation of the Interviews

Summary of Research Findings

The short executive summary of the findings from the empirical research provides the general implications for managers rather than concluding the individual digital communication channels.

1. Each hotel may have different digital marketing strategy, however the range of communication channels is so broad that it covers every phase of the brand touch-point wheel and aligning the marketing strategy properly with the corporate brand strategy creates a sustainable competitive advantage.
2. In the purchase phase the interaction between hotel and customer shall be dealt predominantly personally in order to raise consumer satisfaction from the service. However managers should not only focus on purchase experience and forget about pre-
kk

and post-purchase experiences that enormously affect brand awareness and loyalty especially through digital communication.

3. Digital marketing allows for widening consumers' choices and thus increases opportunity for brands to be seen.
4. Managers have to change their strategies in accordance with the change in consumer behavior. Today's' consumer is open to new technologies and sharing information thus, the task for managers is to engage him or her in communication as well as show them that they care throughout the process.
5. Finally, the potential of social media and mobile marketing is growing at a rapid pace in the hospitality sector, therefore in order to be a step ahead of competition it is necessary to use it for approaching and retaining hotel guests.

Synthesis and Conclusion

The synthesis serves as a post-reflection on the interrelation of the theoretical and the empirical parts, research limitation and possible future implications. The preliminary purpose of my paper was to draw attention to the most current technological devices and their potential in the hospitality industry and analyze how they help customer in decision-making process. In order to know the answer it was necessary to examine the profile of the consumer of the new generation, his needs and wants that need to be targeted.

Using BTW framework that served as a filter, through which it was possible to see the communication between hotel and their guest as a process. Therefore I was able to compare the effectiveness and potential of each digital communication channel across all touch-point situations. The model also supported me in declaring how the channels work in relationship, in which communication with consumer is integrated throughout the process involving all touch-points and using a wide range of online media and applications. Importantly, every means of communication should be personalized and accessible everywhere, facilitating engagement and intimacy. By supplying a compelling brand experiences through multiple communication channels throughout the BTW process customers can identify with the brand in a long term and so become loyal.

The research has generally fulfilled its aim and addressed its research question. The use of comparative case study allowed for a conspectus of my theoretical model from the managerial perspective in hospitality businesses of different markets. Following the framework helped me to explore all situations where the technological advance helps managers in approaching the consumer of the new generation. The essence of the model was to comprehensively summarize all trends in digital communication channels for hospitality organizations and their potential of approaching the consumer in the future. Even though the hotels operated under dissimilar conditions, a common pattern was found concerning their strategies in digital communication. Consumer research plays an important role for both of the hotels as well as cooperation with online portals for creating consumer awareness. Providing that both hotels have noticed the change of consumer behavior due to the technological advance, they are in a progressive stage to address needs and wants of this consumer. Although any of these hotels is completely present in social media or mobile applications, managers are aware of the marketing influence of these media and undertake necessary steps to try to keep up with this trend in the future. As Lestrade said, "we trying to be updated and follow whatever develops in the future and make sure that we

meet the guests' needs and wants and find the different channels they want to communicate through. The profile of the new consumer is still not exactly defined yet and it is still defining its characteristic traits" (2012). However, it is necessary to mention that the empirical research brought up the profile of the future consumer only in a form of managerial estimates of consumer behavior and in form of marketing plans for the future. Most of the data gained from the interviews described only the needs, wants and preferences of today's customer. Even though none of the managers was certain how the profile of the consumer changes within next years, the empirical material considerably assisted in supporting the theoretical research of the paper. It is important to know that the managers are concerned about discovering what consumer behavior to anticipate in the nearest future. As acknowledged in Grail Research, finding out the consumer profile in a constant manner, benchmarking across business sectors, keeping oneself informed and up-to date is the key to the perfect picture of the consumer profile (2011). The rapid emergence of technology in marketing communication in hospitality thus requires a close attention to what is happening in customers' minds (Starkov 2011). The essence of the digital BTW framework lies in particular in a comprehensive overview of strategic opportunities in digital marketing that provide fundamental information for further research of consumer preferences among digital communication channels.

Limitations of the Research

When critically evaluating the data analysis I came across a number of issues that might interfere with the broadness of applicability of the data. One of the limitations of the qualitative study was the 'stability of observations'. When observing the same phenomena in a different time and place the research could show slightly different results. Therefore it would be appropriate to repeat the research process in the future analyzing more hospitality organizations. Another limitation was the geographical bias of the respondents. Even though they come from different countries and the results could, under some circumstances, be generalized for Nordic countries it would require a new cross-cultural study in this field to be applicable e.g. for Europe or globally.

Moreover the netnographic methodology also imposed a certain limitation on the interpretation of the results, since it is bound to internet and online communication as the only source of information. Thus even though these data can be numerical, current and graphically represented it might carry a burden of neglecting important knowledge that not included in online communication. I also encountered a very important constraint concerning the subjectivity of the data. Meaning, for more advanced conclusion would be suitable to include a

survey dealing with customer preferences of digital channels. It would add another dimension to what has been analyzed and would comprehensively show the correlation of hotel marketing communications available compared to customer expectations. Unfortunately the time for completing the paper played a substantial role and thus did not allow me to go into depth in this direction.

References:

Books and Articles:

Alvesson, M., Sköldbberg, K., (2009); *Reflexive Methodology: New Vistas for Qualitative Research*, SAGE Publications, London

Blissett, G. et.al. (2009) *The Future Of Consumer Products Industry: The End of the World...Or The World of Opportunity*, IBM White Paper, New York

Bryman, A. (2001) *Social Research Methods*. Oxford University Press, Oxford

Changuk, L., Hu, C., (2004); "Analyzing Hotel Customers' E-Complaints from an Internet Complaint Forum", *Journal of Travel and Tourism Marketing*, Vol 17 Iss: 2-3 pp.167 – 181

Cohen, L., et.al. (2007) *Research Methods in Education*. Routledge, London

Davis, S. and Dunn, M. (2002); *Building the brand driven business*. Jossey Bass, San Francisco.

Davis, S. et.al., (2003) 'Harmonizing your 'Touchpoints'; *Prophet*;
[http://www.prophet.com/downloads/articles/Harmonizing%20Your%20Touchpoints%20\(SD%20TL\).pdf](http://www.prophet.com/downloads/articles/Harmonizing%20Your%20Touchpoints%20(SD%20TL).pdf); Brand Packaging; visited March 22nd, 2012

Doman, Ch., (2012); *HotelSweep Brings Direct Hotel Search to Mobile Application*; *Hotel News Resource*;
http://www.hotelnewsresource.com/article61434HotelSweep_Brings_Direct_Hotel_Search_to_Mobile_Application.html; visited March 22nd, 2012

Gurau,C. (2012); A life-stage analysis of consumer loyalty profile: comparing Generation X and Millennial consumers; *Journal of Consumer Marketing*; Vol. 29 Iss: 2 pp. 103 – 113

Jansen, G., J., et.al., (2009), *Handbook of Research on: Web Log Analysis, Nethnography – Naturalistic Approach towards Online Interaction*, IGI Global, Hershey

Kandampully (2010); *The New paradigm in Hospitality*; Pearson Education Inc, Upper Saddle River, New Jersey; p. 288

Kim, D.Y., (2009), Moderating Effects of Individual and Organizational Factors on Information Technology Acceptance: The Case of CVBS' Marketing; *Journal of Travel and Tourism Marketing*; *Journal of Travel & Tourism Marketing*; 26:329 – 343

Kozinets, V., R., et.al., (2010), Nethnography: Marketer's Secret Weapon, How Social Media Understanding Derives Innovation, Netbase, California

Law, R., et.al. (2009); Information Technology Applications in Hospitality and Tourism: A Review of Publication of 2005 to 2007; *Journal of Travel and Tourism Marketing*; *Journal of Travel & Tourism Marketing*; 26:599-623

Lecinski, J. (2011); *ZMOT: Winning the Zero Moment of Truth*; *Google Inc.*; Santa Clara County, California

Lecompte, M. et.al, (1992), Ethnography and Qualitative Research in Education, *Academic Press*, London

Muller, Ch., (2010), Hospitality technology: a review and reflection; *Worldwide Hospitality and Tourism*; Vol. 2 No. 1, 2010 pp. 9-19 Emerald Group Publishing Limited

Nobel, C., (2011), Is Groupon Good for Retailers?, Working Knowledge, Harvard Business School, Massachusetts

Pratt, M., (2012) Balancing Social Media Vs. Sales; *Htrends*; http://www.htrends.com/trends-detail-sid-60781-t-Balancing_Social_Media_Vs_Sales__By_Madigan_Pratt.html; visited: March 22nd, 2012

Smith, K.T.; (2012), Longitudinal study of digital marketing strategies targeting Millennials, *Journal of Consumer Marketing*, Vol. 29 Iss: 2 pp. 86 - 92

Starkov, M.; (2011); Archive for the 'Direct Online Channel' Category; *HeBS Digital Blog*; <http://www.hebsdigital.com/blog/topics/direct-online-channel/>; accessed: April 21st, 2012

Syed-Ahmad, S.F., Murphy, J.,(2010), Social Networking as a Marketing Tool: The Case of a Small Australian Company; *Journal of Hospitality Marketing & Management*, 19:700–716

Veloutsou, C., McAlonan, A., (2012), "Loyalty and or disloyalty to a search engine: the case of young Millennials", *Journal of Consumer Marketing*, Vol. 29 Iss: 2 pp. 125 - 135

Wood, Ch. (2009); *The power of Social Media: From the Bolt-on to the Centre of the Universe; The Hospitality Review*, Threshold Press Ltd, Newbury UK

Yohn, D.L., (2009); Match Brand Identity and Guest Experience to Maximize Ad Dollars; *Nation Restaurant News*; <http://nrn.com/article/match-brand-identity-and-guest-experience-maximize-ad-dollars>; visited March 22nd, 2012

Other Sources:

AirPlus Intenational (2012); What a Travel Payment Is All About: Mobile Payment – How it will Transform Corporate Travel and Expense Management, White Paper, Washington

Alexa.com (2012) The Web Information Company,
<http://www.alexa.com/siteinfo/wakeupcopenhagen.com#> and
<http://www.alexa.com/siteinfo/marriott.com#> respectively, accessed in May, 2012

Amadeus (2010), Empowering Inspiration: the Future of Travel Search, *Hotel News Resource Blog*;
http://www.hotelnewsresource.com/article61478Empowering_Inspiration_the_Future_of_Travel_Search.html; visited March 22nd, 2012

Bowes, P. (2011); Empowering inspiration: the future of travel search, identifies trend-setting consumers; *Amadeus, Nord America*; <http://www.amadeus.com/us/x218312.html>, accessed: April 22nd, 2012

Carol, J. et.al. (2002); Just what do the youth of today want? Technology appropriation by young people; *Proceedings of the 35th Hawaii International Conference on System Sciences*; Hawaii

Daniels, K. (2012); Infographics: Social Media Statistics for 2012; *Digial Buzz Blog*;
<http://www.digitalbuzzblog.com/social-media-statistics-stats-2012-infographic/>; accessed: May, 2012

Gerba, B., (2005); The Digital Signage Insider: Using in-store advertising to win the First Moment of Truth (FMOT), *Wirespring Blog*;
http://www.wirespring.com/dynamic_digital_signage_and_interactive_kiosks_journal/articles/Using_in_store_advertising_to_win_the_First_Moment_of_Truth_FMOT_-247.html; accessed: April 22nd, 2012

Glushko, B, (2008); Design Patterns for Service Experiences; *Presentation; University of California at Berkeley*, South Hall, <http://courses.ischool.berkeley.edu/i290-1/f08/lectures/ISSD-20081029.pdf>; accessed: April 18th, 2012

Grail Research (2011); Consumers of Tomorrow: Insights and Observations About Generation Z; *Grail research, a division of integration*, Cambridge

Haile, E., (2012), Should Hotels Charge for Internet Service?; Budget Travel Blog; http://blog.budgettravel.com/budgettravel/2008/09/is_it_wrong_for_midmarket_hote.html; accessed in May, 2012

Hotel Chatter, (2012); The 2012 Hotel Chatter WiFi Report, Hotel Chatter Blog, http://www.hotelchatter.com/story/2012/4/5/21415/90173/hotels/The_2012_HotelChatter_Hotel_WiFi_Report; accessed in May, 2012

Internet World Stats (2011); *WORLD INTERNET USAGE AND POPULATION STATISTICS*; *Miniwatts Marketing Group*; <http://www.internetworldstats.com/stats.htm>; accessed: April 2012

Kokokusha (2007); Fourth-year of WOM Research in Japan: Relation between 'Word of Mouth' and Mass Media; *Press Release; Kokokusha Co., Ltd* (Advertizing Agency);Tokyo

Leppäniemi, M. (2008); *Mobile Marketing Communications In Consumer Markets, Academic Dissertation*; Oulun Yliopisto, Oulu

Lestrade, L., (2012), Phone Interview with Marketing and Sales Manager for Marriott Sweden, Malmo

Manson, H. (2012) Flawless: Why Brands That Behave More Humanly Including Showing Their Flaws will be Awsome; *Trendwatching - March 2012 Trend Briefing*; <http://trendwatching.com/trends/flawsome/>

Pallisgaard, L., (2012) Interview with managing director, hotel Wakeup Copenhagen, Copenhagen

Scanlan, A. (2005); Capitalism and Technological Advancement, BC – Blog Critics; <http://blogcritics.org/scitech/article/capitalism-and-technological-advancement/#ixzz1sqFTYrzz>

Summers, J., (2009); Five Types of Loyalty Programs; Summers Hospitality Group Blog, <http://shgww.com/archives/4552>, accessed in May, 2012

TripAdvisor.com (2012), http://www.tripadvisor.com/Hotel_Review-g189541-d1479477-Reviews-Wakeup_Copenhagen-Copenhagen_Zealand.html and http://www.tripadvisor.se/Hotel_Review-g189839-d1580844-Reviews-Renaissance_Malmo_Hotel-Malmo_Skane.html respectively, accessed in May, 2012

Wiker, S., Jerome, W. (2012) Smart Hoteliers 2012 Top ten Digital Marketing Resolutions, *HeBS Digital Blog*; <http://www.hebsdigital.com/blog/tags/hotel-internet-marketing/>; accessed: April, 2012

Appendix:

Transcript of Interview no. 1, Lars Pallisgaard, April, 19th, 2012

AP: Andrea Pisarova

LP: Lars Pallisgaard, managing director, hotel Wakeup Copenhagen, Denmark; web page: <https://www.wakeupcopenhagen.com/booking/index.php?client=arpHansenWakeup&lang=en>

General questions:

AP: What are the commonalities among the hotels within the chain Arp-Hansen Group?

LP: The hotels within the chain are divided into groups such as classic hotel which is for example the Grand Hotel, then design hotels like for example Tivoli and low budget Wakeup Copenhagen. But, all hotels within the chain have centralized strategies. Marketing, Finance, Purchasing department, Sales they all have their own departments in the chain headquarters.

AP: So this means Wakeup Copenhagen doesn't have its own marketing department. How does it then manages its uniqueness? Low budget hotel must have different strategies and concepts than a four star classic hotel.

LP: Together with the revenue manager and me, the GM, we lay out the strategy and budgets for each year. It is then all about cooperation between them and us.

AP: In what particular aspects does it differentiate from other hotels in the group and the competition?

LP: Of course it is the price. There is no common style among the hotels in the chain like in Scandic hotels which has the same hotel in Stockholm as in Copenhagen. But we have synergies for example in purchasing large amounts of copy paper, soap or shampoo... So in order to differentiate we only use our brand Wakeup Copenhagen. The hotel Group Arp-Hansen is known only in business or among travel agencies. The Arp-Hansen hotels then cooperate but also compete with each other.

AP: What are your target customers? And what do you do to satisfy them?

LP: In Wakeup Copenhagen we have little more than half of the business guests. We accommodate guests from 25 to 50 years old. You haven't seen the rooms yet, but they give a limit in size and other services for the customers, compared to other more luxury hotels. And also pricewise, customers need a hotel that can offer convenient prices for them. They also need a good bed, good bath, Wi-Fi is also very important for them, breakfast and television and this all cover the core product and needs for the guests. We have only queen size beds in all rooms which also limits segments that we attack, because people might share a room might not to share a bed, thus they have to be split out in two single rooms. We are also lucky that the financial crisis started just before we opened, because everyone prefers low budget operations and purchases. That was actually our success, when people wanted to save on their accommodation. Nowadays we get customers from backpackers, families with kids and also business people coming in Mercedes.

AP: Do you conduct your own research in order to get to know your customers? What kind..?

LP: Yes, we have just finished our own survey; I think it was for a thousand customers.

AP: Was it just for Wakeup Copenhagen or for the whole Arp-Hansen chain?

LP: It was just Wakeup Copenhagen, because it is still just in the new phase of our product cycle. I mean we launched it in September 09 and maybe it should be a chain by itself in other cities in Denmark and even in Scandinavia. So that's why we needed to ask the clients what they think about the product, what are their needs and wishes. We got

quite a formal report and of course we adjust our product and concept and do a little fine-tuning according to this report. For instance, we add something to our breakfast buffet, we clear up some communication on our web site

AP: So the main concept has been already created, but you needed to see how it is effective so far..

LP: Exactly, so now we could start a new Wakeup hotel in a different city with the same concept.

AP: How did the process of the survey progressed? Was it your online survey?

LP: Yes, we hired an external agency that made this inquiry and interviews to our guests. We got an executive summary with the detailed information with their needs.

AP: I have read that your hotel has only a few employees. How do you structure your staff?

Even though we are the Denmark's fourth largest hotel, with 510 rooms we have just a little staff. I mean the largest department is the housekeeping department, but it's external. Then we have reception and reservation department, breakfast restaurant, technicians we hire from Tivoli Hotel.

AP: I see, this saves a lot of costs, because people are the most expensive asset...

LP: Yes. The cost of a room is very low in here compared to other hotels. And I mean it is a volume that creates a great bottom line.

AP: You are a new hotel, what is your main source of gaining travelers' awareness?

LP: Our main communication is through TV, radio and online booking. In fact, we are using a couple of million Danish kronor in advertising. We started a TV campaign with commercial spots. That is to start to make a kick off in a low season in the beginning of the year. We also have advertising in large Danish magazines and newspapers.

AP: Is the campaign only within Denmark or also more international?

LP: In Denmark, the largest clients in fact come from Denmark. It is a huge market for us, then comes the rest of Scandinavia, Sweden and Norway and then Germany.

AP: How important do you think is digital communication to the group or to Wakeup Copenhagen in particular?

LP: Of course it is important, but we could use it more than we in fact do. I am still struggling with our website, because we need to improve permission marketing, such as newsletters. It is important because many our clients are mobile and ipads and they use the Wi-Fi a lot. They are the first who make a review on Wakeup Copenhagen and book their rooms through the website and so on. Which is actually the concept of our hotel, because if a guest calls we charge him extra for personal service.

BTW Pre-purchase phase:

AP: What online processes do you use in order to get customer information? (Data mining, Online Surveys...)

LP: Yes, we buy banner advertising on business websites, Google adwords. As I mentioned before about the big online customer survey; that is an important source as well. We also carefully read customer opinions and reviews on sites such as trip advisor etc.

AP: Do you pay a particular attention to your home page? How much does your home page contribute to the overall brand image? (1-10)

LP: (laugh) Ratewise, as I said before, we are a little bit hostage, all our webpages are being re-launched and when we get this done we can focus more on contents and marketing effectiveness of our homepage WakeupCopenhagen.com. But of course, the booking engine on our website is the most important element which is working perfectly and 83% of our bookings have been done online.

AP: Will it be also available for example for mobile applications?

LP: Exactly, that's the plan. So far we have no mobile applications; therefore it is in our focus to make the new version more accessible for mobile phones.

AP: I have seen you have some domain on Facebook and some people tweeted about you. How do you communicate to your customers through social networks?

LP: Actually I don't know about any domain on Facebook.

AP: Maybe this was some informal one... Do you plan to develop a customer base in social networks in the foreseeable future?

LP: Certainly. As soon as our website is running we are prepared to start with social networks. We are aware that customers would like to talk to us.

AP: What kind of web affiliates are you partnering with? Whether those are sites of travel agencies, hotel booking domains, airlines, tourist information sites or other...

LP: Yes, of course, we partner with travel agencies or travel sites that lead customers to our central electronic booking system. We are also a member of supranational hotels which is a global network of which our whole chain is a part of. We are representing Denmark in that membership and for that we can join the global DDS booking system (deal distribution system). This then use airlines, travel agencies like Amadeus. Another way are our partner hotels that have our brochures displayed in their lobbies for example. Travel wholesalers in Italy, German, UK carry our name, we cover every catalogue that in bigger travel agency and almost serve as an representative for Denmark and Copenhagen.

AP: Can you then say that marketing to wholesalers and B2B marketing is stronger than marketing to individual customers?

LP: Yes, that would be a good conclusion. This means, a customer in for example London doesn't know who Arp-Hansen is, but we are recommended by travel agencies which is more important.

AP: Do you prefer using flash sites? For example groupon.com, by offering high discounts for short period of time.

LP: Arp-Hansen as a group uses this, but it is not applicable for Wakeup Copenhagen. We cannot afford to discount our prices anymore; it would be against our business concept.

BTW purchase phase:

AP: What possibilities do customers have to pay for your services?

LP: Of course. I mean, all our rooms are sold pre-paid, so you cannot make an account here. If you stay here you have to pay for everything, the breakfast or beer in a bar. You can also come as a walk-in guest, call the reservation department, book a room through a phone and pay in cash, but we would charge extra for personal services. The only our debts are wholesalers and travel agencies that owe us money in the B2B market.

AP: What internet access do consumers have at disposal in their rooms?

LP: It is Wi-Fi, free all over the hotel; a customer gets a code that is also useable for other hotels in our chain. We also provide about 6 PC's for free use if you don't carry a laptop. But according to our information, 95% of our guests are carrying laptop, tablet or mobile phone.

AP: That is actually very convenient, because as I have heard, in Hilton group they usually charge those that are not members of some loyalty programs.

LP: Exactly, that is true. Wi-Fi is something that every today's customer is expecting to have at hand in a hotel after the bed and the bath. I think it is a trend. Because younger people, everybody, they are used to have internet wherever they are.

AP: How do you handle complaints? Do you have any forums, hotlines, do you check social networks?

LP: We don't have any complaints. Our philosophy is that before a complaint is published, our staff should act right away. If a guest is having any issue we will send our staff to solve all problems at that moment. Sometimes however happens that people have different expectations about the hotel. The see it is a design hotel, it's book through a travel agent or secretary in a company and then they see a small room of 12sqm and say it's not a place for me, they don't have a fitness centre. So that is not our fault, it's a misunderstanding that they don't get to know that it is a 2 star hotel. It is important for us to inform them beforehand, because as they know it, they would be very satisfied, they get more than they expected. The equation is that if the encounter is bigger than the expectation what you get you are a happy guest, if it's oppositely, you are disappointed. If a complain arrives in form of an email such as missing air condition in the summer, I can deduct from their price or offer them a new stay whenever they want. So we take individually dialog with the complainer, but this is very seldom.

BTW post-purchase phase:

AP: What loyalty programs do you offer? How effective are they? (1-10)

LP: There is a centralized loyalty program in for the whole Arp-Hansen group, but for us as a low budget hotel it would not be rentable, because we just want a 'sharp' rate in the daily market place.

AP: Do you have any CRM systems to cooperate with your (B2B) customers?

LP: Yes, we do. We have sales and catering systems that contains marketing and sales activities where we sengement the clients. We use this system a lot also for statistics for the future.

AP: Do you conduct your own online surveys with your customers or random people? Or do you encourage customers to give feedback about their stay through other media?

AP: Do you pay attention to what feedbacks or reviews have been written about Wakeup Copenhagen in websites such as Trip Advisor?

LP: Yes, we get a lot of good reviews and of course there are people that need to write the opposite. For the good reviews we don't thank people that should be a rule to get positive feedback not an exception. For negative reviews, however we argue with people about what went wrong in the communication. Sometimes we make mistakes but many times we just have to explain the concept and the 2 star rating. We use these survey more as a 'satisfactory' forum'.

AP: So you always try to respond by improving your services according to them?

LP: Sure, sure.

AP: Which of the three phases do you consider to be the most important for enhancing customer experience and promoting your brand name?

LP: I think the experience after the stay is the most important factor. Not loyalty programs, but in creating customer experience it is important to show the hotel, to have a tour of the house. I had a lot of secretary events with clients, agents etc., because when you see the hotel you say 'okay this is not a 2 star this is 3 or 4 star compared to the quality. After the stay we have a lot of repeat business. One you have stayed here you are satisfied and you return.

AP: So for you it is easier to persuade customer by reality rather than talking... Because for many managers see their most important touch-point in the pre-purchase phase, because there is the biggest amount of situations where they can make an impression on consumer to influence his purchase behavior.

LP: Yes. This is how I see it actually...

Transcript of Interview no. 2, Lina Lestrade, May, 10th, 2012

AP: Andrea Pisarova

LL: Lina Lestrade: Marketing and Sales manager of Marriot Group for Sweden; web site: <http://www.marriott.com/default.mi>

General questions:

AP: What are the common characteristics for all hotels in the Marriott International group?

LL: Marriott International consists of 19 different brands and all these brands carry the same characteristics, or better say vision, globally. But there is no rule about a hotel layout; every hotel is allowed to have a different style, structure and so on. But what regards the operations, every single franchise with their employees has to obey certain principles that are centralized from Washington where the base of Marriott International is. The reason behind the standardization of services is that every customer that comes to Marriott has to know that he came to a quality hotel and he knows what standards he can expect.

AP: In what particular aspects does hotel Renaissance differentiate from other hotels in the group and from the competition?

LL: The Renaissance is a lifestyle boutique hotel, which means every Renaissance hotel is different in style, but whenever you go, there is something wonderful to be found. There is no same hotel as ours, but in all hotels the guests have the same feeling when they arrive. The main feature are the specific design environment and also when a guest comes to our webpage we offer a local guide with tips where to go and what to do.

AP: Who do you think is your main competitor?

LL: There were actually situated just opposite of Renaissance hotel in Malmo, First Hotel Mäster Johan from the First Hotels Group. They have similar characteristics and also they compete with us on Trip advisor, where Marriott was the number one hotel in Sweden according to peoples' reviews and First hotels were the seconds this year.

AP: Do the individual brands protect themselves from competing with each other?

LL: No, there are no strategies to control inside competition, but of course, one would not open another Renaissance hotel in Malmo. We rather work together, for example we cooperate with Marriott in Copenhagen when one of us is fully occupied we recommend our guests to visit other Marriott branches.

AP: What are your target customers? Do you focus more on B2C or B2B business?

LL: We don't have a certain customer as a target, but the majority of our customers are individuals who book a room through OTA's or our website. Of course we interact with companies too, but we prefer customers that who choose us directly.

AP: And who dominates your customer base more or who do you prefer to attract a business traveler or rather a leisure traveler and families?

LL: It's difficult to say, because the business travelers stay from Monday till Friday, but in the weekends it is predominantly about leisure travelers. I mean, for example a Marriott Countryyard hotel in Stockholm is definitely more about business travel, but in Renaissance it is 50:50. So our aim is to make sure that the hotel is fully booked (laugh)

AP: That really makes sense (laugh) Well as you mentioned that every hotel in the Marriott Group has a different style, customers, and strategies. Do you conduct your own research in order to get to know your customers, just for Renaissance? What kind..?

LL: Well, I can say research is more 'Marriott thing'. In our hotel in particular, we try to track everything what we do – if it satisfies our customer. We encourage them to write a review at Trip advisor or comment on Facebook. We don't specify in research as such, only evaluation after they leave the hotel. For more detailed customer description we have to rely on Marriott International. We usually find out what kind of food they prefer, what, how they value our rooms and other amenities. So this we do on a daily bases, talking to them and trying to get to know them better.

AP: Are there any centralized strategies for promoting the hotel chain as whole since the individual hotels within Marriott differ?

LL: Absolutely. But this is a big company and there are a lots of things going on 'behind the door' so to say. We don't have access to these strategies, only to their results. However, on a regular basis global or continental meetings take place, where all marketing managers discuss and share these strategies as well as new ideas.

AP: Are there any centralized processes or departments within the hotel chain?

LL: It depends, of course everything is centralized, and we have marketing department at the headquarters which is in charge of the corporate marketing processes. But our branch in Malmo and those in Stockholm are franchises, so we run some marketing lead by Marriott and some by ourselves. The whole marketing is run by me and my colleague, but we have to cooperate with Marriott when it comes to bigger decisions. We have a marketing director also for Europe who leads all meeting with about 97 European marketing managers regularly.

AP: How do you structure your staff? Who is in charge of online marketing activities? Do you have this kind of position?

LL: No, these marketing activities are included into our job as well.

AP: You are a quite established brand for example compared to Wakeup Copenhagen I did the interview before with, and Marriott is displayed in every logo of each distinct sub-brand so what do you think is the main source of gaining travelers' awareness for Renaissance hotel?

LL: Hmm I would say about 20% of our business comes from our web site, around 14% comes from OTA's such as booking.com and hotels.com and such or review sites like TripAdvisor, but otherwise a lot of awareness input comes from Marriott.

AP: Apart from that, do you also specialize in offline advertising through TV, radio or other media?

LL: Yes, locally we had some initiatives, for example ads in industry magazines or offerings for travel agencies. But we are not running any TV commercials in Sweden, but it also depends what brands are we talking about – Renaissance is a life-style brand and it would not be advertised in TV, while maybe Courtyard or Marriott would put ads there.

AP: How important do you think is digital communication compared to other marketing tools to the Marriott group or to hotel Renaissance in particular?

LL: I would say digital, because other kinds of advertising are quite difficult to measure. Also when it comes to WOM that is also very powerful, because we have a very good sales team for example. So we are focusing more on a direct communication to customer more than mass advertising, because it lacks personal contact, feelings, emotions which play a big role in our promotion.

BTW Pre-purchase phase:

AP: What online processes do you use in order to obtain customer information? For example Data mining, Online Surveys

LL: A lot of information comes from Marriott which provides us with research, but location wise we try to go to know our customer through finding out what booking channels they are using. For example 50% of Russian Marriott customers book their rooms via mobile phones, while about 60% of bookings here are made online. So we try to track online information we gain this way and so predict his or her profile.

AP: Does the hotel use any SEM or SEO? How much does this influence customer to make a decision for your hotel compared to other marketing techniques?

LL: Well, Renaissance international does it, but our branch in Malmo not.

AP: So the hotel Renaissance in Malmo enjoys the benefits from these postings done by the global Marriott organization.

LL: Yes, exactly.

AP: Do you pay a particular attention to your home page? Because I saw that when someone puts Hotel Renaissance Malmo to his search engine it does not lead him directly to the branch web site, instead he or she comes to Marriott.com.

LL: One has then the opportunity to choose among the variety of Marriott hotels in that area...

AP: I see, and how much does your home page contribute to the overall brand image compared to other marketing techniques?

LL: There is a certain corporate layout that every Marriott hotel has to follow. If you want to have a brand that operates 3700 hotels worldwide you have to make sure that it keeps a certain style and this was one of the ways, to make sure that you have a generic web site where the customer can recognize the brand no matter what country they travel to. So what we do, is that we upload picture that we want him to see, local information and so on.

AP: I have seen you have several domains on Facebook and a corporate account on Twitter. Do you plan to focus more on developing a customer base in social networks in the foreseeable future? How?

LL: Yes, absolutely!

AP: Because I saw that you have quite a few accounts on social networks but not so many fans...

LL: Yes, actually we have just published the Facebook page, but currently we don't have a strategy, we are still working on it and hopefully we will be ready by august. We feel particular about social networks, and I think it makes more harm than good to keep a Facebook site up and running without updating it properly and like you said tracking the clicks and the followers and keeping it nice and clean more or less. But there is one international Renaissance page where the guest can write comments.

AP: You have recently built mobile applications for instant bookings which serve mainly for those who have already stayed at Marriot. How do you get new customer to try them?

LL: That project is run by Americans internationally, so I am not 100% sure how they want to promote it to new customer. It's been running since October and it's quite new and still improving. There is not so many users for this application, but we are offering though this a lot of last minute bookings which is exactly what customer wants. So far I cannot tell you the effectiveness of the global app.

AP: What kind of web affiliates are you partnering with? Whether those are sites of travel agencies, hotel booking domains, airlines, tourist information sites or other...

LL: Basically all of those (laugh). Of course bookings.com, hotels.com, Travelocity.se, Trip advisor as I said before, our largest partner is holidaycheck.de which is the largest review and booking site in Germany, Austria and Switzerland and even more popular than Trip advisor. There are also a number of smaller OTA's and other travel agencies that do their advertising on Expedia.se or Trip advisor.com on our hotel that we don't have a relationship with, but they

cooperate with these pages and so can sell out hotel. So it is difficult which we are working with, because there are a lot of indirect advertisements.

AP: Do you prefer using flash sites? Such as for examplegroupon.com, that offers high discounts for short period of time...

LL: For example we are not working with Groupon.com and so does Marriott. We have worked with one Swedish flash site and offered our bookings and last minute bookings there.

AP: And do you find it effective to cooperate with flash or on the other hand have you been disappointed?

LL: Both I would say. We had very good relationship with few of them, but some didn't really give us any business.

AP: I know that these sites can provide hotels with high access rate and attract new guests through low prices but at the same time to lower their expectations and perception about the hotel reputation due to the price...

LL: Exactly! I remember when Grand hotel in Stockholm started to cooperate withgroupon.com and compared to us they offer completely different services. We are as I said a life-style boutique and I would not say that the cooperation is detrimental to the hotel, but it is more effective for other brands than us.

BTW purchase phase:

AP: What possibilities do customers have to pay for your services? For example when they book a hotel online?

LL: Paying in cash, credit card or pre-paid booking online makes for us no difference at all. Also booking through mobile apps is possible to pay various ways, most probably they use credit cards.

AP: What internet access do consumers have at disposal in their rooms? Do you charge extra for it?

LL: We offer free Wi-fi in all our hotels, which is 500K/bit and its completely free.

AP: That is very friendly for your customers, because so many hotels charge for this service...

LL: Yes, because, any customer, if it's a business or leisure traveler he or she of course wants to log it to his or her Facebook and check e-mails, we want to encourage these activities. It became a necessity nowadays.

AP: How do you handle complaints? Do you have any forums, hotlines, do you check social networks? Do you engage yourself in replying to your feedbacks and reviews?

LL: Of course, there is a Marriott hotline, but when there is an unhappy customer; we would very much like to talk to him directly at the site. So that we are able to immediately improve whatever he or she is not satisfied with. Otherwise from the online communication it is Trip advisor, but for the rest is responsible the front desk manager to hear and solve the complaint in front of the customer. We are glad for each kind of complaints, the good ones increase our reputation the bad ones lead us to improvement, because it is difficult to improve when you don't know where to get better.

AP: So you prefer personal communication over the online or offline correspondence...

LL: Yes, we don't have any specific forums that customer can fill out, because we think that when the guest speaks from his or her heart about his experience, we get more quality information and the guest get what he asked for. That is the most interesting to let him know that we care and are interested to listen to him and improve. If he is happy we are happy.

BTW post-purchase phase:

AP: What kind of loyalty programs do you offer? I saw that Marriott.com offers a wide range of benefits for loyal customer. How effective are they?

LL: Yes, Marriott has a loyalty reward system, which is said to be one of the most effective loyalty programs in the world actually, which is kind of interesting. We in Renaissance work a lot with this program; what is specific for this system is that all the points a guest earns accumulate for a life time. There are certain levels of loyalty according to which a guest gets his benefits like for example daily newspapers according to his choice and so on.

AP: Do you use any customer relationship management softwares for your B2B customers?

LL: Marriott probably does, but Renaissance does not. However we focus on our B2B relations but we don't have any specific software at place. When it comes to different companies, of course we have particular way of approaching them, I mean every company has different needs and we try to personalize our sales approaches.

AP: Do you conduct your own online surveys with your guests after their stay? Do you encourage customers to give feedback about their stay through other media?

LL: When you stayed in our hotel you get an online alert through an e-mail from Marriott to evaluate our service. We also encourage them directly to write on the Trip advisor. Of course writing after their stay increases the number of negative comments, but it still gives other reviewers more real look on our service.

AP: Do you pay attention to what feedbacks or reviews have been written about your hotel? Do you try to improve your services according to them?

LL: Yes, all the positive or negative reviews are being answered by the particular GM on the hotel and they try to improve their services, definitely.

AP: Which of the three phases (pre-purchase, purchase and post-purchase) do you consider to be the most important for enhancing customer experience and promoting your brand name?

LL: I am not sure actually. I think each phase is important in different ways. I mean, if you are not good at communication with your customer prior their purchase, if you don't convince to get them into the hotel, in that stage I will stop. I think at the same time that it is important that you don't 'leave alone' the customer during their stay, because now you have the chance to prove that you are the right service provider and they are at a good hotel. But in the final stage, when the guest leaves, he or she starts to be completely honest with you. They are not so honest when they are at the hotel very often. So it is extremely important to not forget about the guest, because even if he is not currently staying at your hotel he is still your guest. Therefore I think all the three phases are very very important and you cannot focus only on one of them.

AP: Bearing in mind the profile of the customer is still evolving due to technological advance and society...do you have plans, strategies to increase customer experience in the future? How to change your marketing tactics to connect with him more effectively?

LL: When it comes to developing the brand and the company as such, like I mentioned before that goes through Marriott. But we are interested in keeping us updated. For example the mobile app we launched the last fall that is one of the ways we trying to be updated. Also two or three years ago who would think that the Trip advisor would be the biggest portal for hotel guests. So of course we need to follow whatever develops in the future and make sure that we meet the guests' needs and wants and find the different channels they want to communicate through.

AP: Yes, because the profile of the consumer is still not exactly defined yet and it is still finding its characteristics that's why the main goals for companies is to keep up with the trend..

LL: Exactly! That is what we are going to do.

AP: Would you be interested to have an access to my thesis after finishing?

LL: For me, I would be more than happy to read your thesis! I find your topic very interesting so if you wouldn't mind to send it to me, please do! (laugh)