Social Media’s Influence on Hospitality & Tourism Management

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Social media, which are based on web-based, mobile based or cloud based technologies have created wonders as far as accessibility is concerned. For decades in hospitality management we used to say “you do one thing bad ten people will know by the word of mouth.” Social media has changed that proverb overnight as the “word of million mouths.” So rapid is the spread of communication that it can make or break businesses, governments, or any agency. It is not plain communication but it leads to an interactive dialogue which creates a viral impact. Social media has the advantage of (a) reaching global audience, even in remote corners of the world; (b) immediacy with no time lag; (c) easy accessibility by those receiving the communication as long as they can get their hands on a computer keyboard; (d) twenty four hours, seven day operations thereby overcoming the time difference; and (e) ubiquitous versatility for interactive exchanges.

Considering all the benefits that social media can provide it has all the attributes that will be helpful in marketing and management. This is particularly important for hospitality and tourism area field since they are people professions. Social media is an option for hospitality industry since it provides opportunities to manage and present business content and it helps in identifying core values that draw clients and customers to business [1]. Most companies would benefit from a cohesive strategic plan that will integrate social media efforts with overall marketing effort. Engaged customers spend more money and return back to business more often [2]. It also helps in brand awareness and building brand equity.

There are different ways social media can be used to benefit the bottom line of an operation, whether it is foodservice, hotels, amusement parks, hospitals, or any other affiliated hospitality business. Rowe [3] has listed seven ways one should be leveraging social media which include (1) solicit endorsements; (2) maximize revenue per seat; (3) bond with guests; (4) manage reputation; (5) reach out to new customers; (6) recruit new staff; and (7) build a buzz.

There are several dozens of social networks and their number keeps growing by the day. The most popular ones are Facebook, Google, LinkedIn, Skype, Yelp, Bing, Twitter and TripAdvisor, but there are scores of others. There are so many different social media sites out there addressing from reviews to communications that for a hotel owner or manager knowing where to begin can be a daunting prospect [4]. Managing hotel reviews, both positive and negative is certainly a priority for managers. Sites like TripAdvisor and Yelp.com are constantly in the radar of managers to assess customer experience. A discussion on the positive and negative aspects is imperative to realize the extent of the impact of social media. The reviewing sites can have relatively more impact than the enhanced communications sites such as the Facebook or Twitter sites.

One of my MBA student [5] researched reviews and compared with actual experience while on a study abroad trip to India and Dubai. TripAdvisor was criticized for being biased and unreliable. Critics also charged that hotels have been posting negative reviews about rival hotels or posting very positive reviews about their own hotels. TripAdvisor responded by claiming that they do screen the review through the following primary methods: (a) reviews are screened prior to being posted; (b) it automatically identifies methods to disrupt the system; and (c) the 25 million monthly reviewers act as a self-regulating measure to screen suspicious activity. TripAdvisor clearly posts warnings about certain hotel properties if the reviews are questionable. It also advises its visitors to ignore both the very best and very worst reviews in order to avoid any bias [5]. It was also reported that 82% of the reviews were positive for one of the hotels in New Delhi. One thing which became apparent from the observations by Ryan [5] was that reviewers can bring out aspects which can be easily ignored as significant by managers. For example, at the resort in Ranthambore; there was a gentleman who would run continuously back and forth to bring hot bread to the dining customers from an oven which was located outdoors. This bread runner was appreciated by most reviewers and listed as a point they considered in higher ranking of the facility. This point could have been easily ignored by the managers but for the comments coming from several reviewers.

Now considering the other side of the rankings, how can these be selected as unbiased since there is no peer reviews involved in the process. There is no qualification, verification, criteria, rules or guidelines for those who review. This makes an open door for anyone, including competitors to misuse the free accessibility of these social media. The dilemma facing those who are impacted with negative reviews is to respond or not to respond. According to McGuilken hoteliers take reviews personally and they refuse to apologize [4]. People feel like if they say sorry, they are claiming culpability, and years of our litigious society have taught us never to do that. According to him the unfortunate side is that customers are looking for empathy, so apologizing for the poor experience is really important. However it can be a two-edged sword. It was mentioned by a well experience restaurant owner that sometimes being apologetic or realistic may backfire. He gave an example that once someone wrote on one of the blogs that the spring rolls served at his restaurant were soggy. They are in business for the past twenty years and they never have oven which was located outdoors. This bread runner was appreciated by most reviewers and listed as a point they considered in higher ranking of the facility. This point could have been easily ignored by the managers but for the comments coming from several reviewers.

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Social media can have both positive and negative impact not only smaller businesses but also on franchise corporations. Actions become necessary and timely response to the reviews when they are genuine can result in a big payoff. This becomes important when brand image is concerned. Many hospitality businesses have utilized social media beneficially. Whether the reviews were positive or negative, they have nicely responded to their advantage. With the rapidly changing technology it is impossible for any hospitality operator to ignore the social media. It should also be taken into consideration that it is just the beginning and nobody knows where it would lead us. This is one of the areas which I would like researchers to focus on and develop theories and hypothesis which will benefit the rapidly growing hospitality industry.

References