

HOTEL PROMOTION AS VIEWED BY CUSTOMERS

IZABELA KAPERA

University School of Physical Education in Kraków
e-mail: lowczowska@poczta.onet.pl

RECEIVED
ACCEPTED

1 March 2015
1 June 2015

JEL
CLASSIFICATION

L8, M3, M5

KEYWORDS

promotion, customer ratings, Internet, hotel industry

ABSTRACT

Purpose. The purpose of the paper is to discuss the significance of hotel promotion from the customer perspective. The research analyzed hotel promotional efforts from the perspective of hotel guests staying at randomly selected hotels in Poland.

Design/methodology/approach. The data were collected using a questionnaire consisting of 21 questions on the determinants of hotel choice, hotel guest rating of hotel promotional efforts, role of the Internet in hotel promotion, and hotel recommendations. A total of 273 Polish hotel guests were surveyed about their hotel preferences.

Findings. Research has shown that key factors determining the choice of hotel include location, quality, and price. Eight percent of survey participants also noted that promotional efforts did make a difference in their choice of hotel in Poland. The research also confirmed the growing role of the Internet in promotional efforts. As much as 64.1% of survey participants indicated that the Internet is their primary source of information on hotels in Poland. The effect of hotel chains was also assessed in relation to the abovementioned parameters. The highest customer ratings of hotel promotional efforts were observed for domestic hotel chains and the lowest for international hotel chains.

Practical/social implications. An understanding of customer perspective with respect to hotel promotions is useful in terms of developing the total offering for each given hotel in order to build competitive advantage.

Originality/value. The papers presented some interesting issues about hotel promotion from theoretical and practical perspectives. This paper discusses the significance of hotel promotion from the customer perspective.

Introduction

The marketing efforts of hotel operators are the subject of complex analysis including the study of promotional methods. In the paper, it is assumed that promotion includes all types of activity – both information and propaganda – designed to increase product awareness, brand awareness, and company awareness (Kotler et al., 2002). Each of the five principal types of promotional activity (advertising, personal selling, sales promotion, public relations, direct

marketing) possesses its own set of tools. In addition, technological progress has made it possible to communicate with potential customers via both traditional media (newspapers, radio, television, telephone) as well as new media (fax, mobile telephone, pagers, computers) (Kotler and Armstrong, 2011). Promotional activity is evaluated from the perspective of hotel owners and hotel guests. Low and Ng (2011) cite Lubetkin (1999) in their analysis of differences between the way the two groups of test subjects view the effectiveness of different types of promotional activity. Their analysis focused on B&B facilities. The issue may also be analyzed in terms of the effectiveness of promotional activity – understood as the degree to which each given project, campaign, and complex strategy is realized and the degree to which planned results are achieved. Yet another way to analyze this issue is via the financial effectiveness of a project, as measured via expenditures and gains (Datko, 2008). Marketing goal realization can be measured via the use of appropriate metrics that differentiate this approach from a classic cost-based analysis (Datko, 2008). The analysis of the effectiveness of various promotional tools is very important for a business entity due to the expenditures involved. The issue of marketing effectiveness in the hotel and tourist industries was analyzed in detail by Bhagwat and DeBruine (2008). Earlier publications on this issue are available in thematic groups such as economics of advertising – Jones (1995), Stiller (1958), Schmalensee (1972), Benjamin et. al. (1960), McAlister, Srinivasan, and Kim (2007) Singh, Faircloth and Nejadmalayeri (2005) Stern-Stewart database for the period between 1998 and 2001, Nelson (1970), Lavidge and Steiner (1961), Butterfield et al., (1998)), advertising effectiveness in the hospitality and tourism industry – Turco and Dry (1993), Butterfield et. al. (1988), Witt (1980), Loeb (1982), Stronge and Redman (1982), Witt and Martin (1987), Kliman (1981), Barry and O'Hogan (1972), Uysal and Crompton (1984), Papadopoulos and Witt (1985), Cai (1998), Geoffrey Couch (1994), and Bhagwat and DeBruine (2008). This research work focused on economics and econometrics. Other research works include evaluations of promotional activity in the context of the social and demographic characteristics of hotel guests. Clark and Dotson (2004) analyzed the effect of promotion on hotel choice in the context of gender, income, civil status, age, and children. This is an important approach, which focuses on adjusting promotional activity to the needs of the consumer. This may, in turn, help a hotel operator gain market share by becoming more competitive relative to other companies in the market. Friel (1999) analyzed this issue in relation to small hotels and tourist-oriented businesses and described their most often used promotional methods. The problem of brand confusion in print advertising of international hotel chains was analyzed by Christou (2013). Selected issues in hotel promotion were also discussed by D. Taylor (2001). The following promotional methods were found to be most practical and effective – telephone sales, face-to-face sales, advertising, and public relations. In addition, Christou (2011) attempted to identify the deal usage process of the customers of hospitality services bought over the Internet, and to investigate the potential influences of trait variables on this process. In recent years, the Internet has become a key factor in the hotel industry, and this has not escaped the attention of academic researchers. Ip and Law (2011) analyzed 68 website studies related to travel, tourism, and hospitality, published between January of 1996 and September of 2009. A variety of studies have been done on the Internet and its effect on marketing in the hotel industry. Primorac, Smolić, and Bohomolec (2012) investigated the level of knowledge possessed by the owners and managers of small hotels in Croatia with respect to strategies that can be used in the area of Internet marketing. Test subjects were also asked about their level of satisfaction with Internet-related marketing efforts. Stewart and Barr (2005) analyzed promotional methods used by hospitality-related companies operating along former railway lines converted into tourist or bike trails in the American state of Pennsylvania. The authors emphasized the key

role of the Internet. Han and Mills (2006) analyzed 47 methods of evaluating hospitality and tourism websites. The current view of Internet marketing in the hotel industry is often described as a cross-functional process for the planning, execution and analysis of communication focused on attracting, maintaining and multiplication of the number of clients on the Internet (Andric and Rudzic, 2011). The rise of the Internet has also created new promotional opportunities via social networks, as described by Chitu and Albu (2013). This issue is covered in the survey questionnaire and parts of the paper, which is divided into sections: purpose, research method, test sample, research results, discussion, and conclusions.

Research method, sample

The research analyzed hotel promotional efforts from the perspective of hotel guests staying at selected hotels in Poland. The research attempted to analyze the following:

- which factors determine the choice of hotel and what role do promotional efforts play,
- what is the main source of information on the selected hotel, as described by guests staying at the hotel being surveyed,
- how do survey participants rate the role of promotional efforts on the Internet,
- how do hotel guest characteristics affect guests' rating of hotel promotional efforts – age, gender, education, frequency of hotel stays, length of stay, purpose of visit; another analyzed issue was whether a hotel is part of a hotel chain or not.

The data were collected using a questionnaire consisting of 21 questions on the determinants of hotel choice, hotel guest rating of hotel promotional efforts, role of the Internet in hotel promotion, and hotel recommendations. The last few questions addressed demographic data for the group of survey participants. The survey focused on guests currently staying at each given hotel.

The statistical analysis in this paper was based on the research goals described earlier. A total of 273 guests staying at selected hotels (14 hotels, mainly 3–4 stars) in Poland took part in the survey study. This included 120 women and 153 men between the ages of 18 and 70 (age: 18–30 – 79 guests, 31–40 – 91 guests, 41–50 – 60 guests, 51–60 – 25 guests, 61–70 – 9 guests). The largest age group was that between 31 and 40. Most of the survey participants were college graduates (186). The remaining participants were high school graduates (66), vocational school graduates (18), and elementary school graduates (3).

Results

The first research goal was to show which factors determine hotel choice and how promotion affects hotel choice. Location is a key success factor in the hotel industry and this is shown by the research described herein. Survey participants listed location and quality as the top criteria in their choice of hotel. Promotional efforts were listed last behind price, reputation, strength of brand, and personal preferences. Only 22 survey participants listed promotional efforts as a relevant factor in the hotel choice process (Table 1).

The next research goal was to identify survey participants' sources of information on each analyzed hotel and its offering. The principal source of information turned out to be the Internet, with 64.1% of survey participants indicating this source (Table 2). Radio advertising was found to be the least common source of information on hotels.

Table 1. Number and percentage of respondents identifying selected hotel choice criteria

Criteria	Respondent number	Percentage
Quality	165	60.4
Price	139	50.9
Reputation	102	37.4
Brand strength	52	19.0
Personal preferences	32	11.7
Promotional efforts	22	8.1

Source: author's own work.

In ten cases, survey participants indicated several main sources of information – four cases indicating the Internet and information from friends, four cases indicating the Internet and printed materials, one case indicating radio advertisements and printed materials, and one case indicating the Internet, friends, and printed materials.

Table 2. Number and percentage of survey participants taking advantage of selected sources of information

Source of hotel information	Respondent number	Percentage
Internet	175	64.1
Family and friends	71	26.0
Printed materials	19	7.0
Other sources	10	3.7
Print advertising	6	2.2
Television advertising	2	0.7
Radio advertising	1	0.4

Source: author's own work.

In light of the growing role of the Internet in hotel promotion, this area of inquiry was pursued further than other areas of inquiry. Close to half the survey responses indicated that online reservation portals are the most effective means of hotel promotion. A hotel's website is also considered to be important in this respect (Tables 3).

Table 3. Number and percentage of survey participants selecting each given Internet-based promotional method as important

Service available online	Number of responses	Percentage
Reservation portals	91	49.5
Hotel website	71	38.6
Social media	14	7.6
Travel agency website	7	3.8
Blogs	3	1.6
E-mail	2	1.1
Other	2	1.1
Banners	1	0.5

Source: author's own work.

The next step was to evaluate hotel promotional efforts in relation to selected variables linked to certain characteristics and preferences of the survey participants – age, gender, education, frequency of hotel stays, length of hotel stay, purpose of visit – as well as hotel characteristics such as form of ownership and quality of services. A comparison of the overall rating of hotel promotional efforts with sociometric data on the survey participants did not indicate a relationship with gender ($t = 1.35041$, $p = 0.1781$), age ($R^2 = 0.000382$, $f = 0.1031$; $p = 0.7484$) or education ($f = 1.0734$; $p = 0.3608$).

On the other hand, a statistically significant relationship was discovered for the rating of hotel promotional efforts and hotel guests' willingness to recommend a given hotel to their friends ($t = 3.032494$; $p = 0.0178$). 25 of survey respondents indicated, that hotel promotional efforts are ineffective and 6 of them don't want to recommend a given hotel to their friends. Another relationship discovered in the course of research was that between the rating of hotel promotional efforts and a hotel's ownership status – independent, Polish chain, international chain. This relationship is statistically significant ($f = 9.7076$; $p < 0.0001$). Polish chain hotels earned the highest ratings for their promotional efforts. The lowest ratings were earned by international chain hotels operating in Poland. Independent hotels and hotels not belonging to any of the herein established categories ranked in-between Polish chains and international chains.

Discussion and Conclusions

The principal determinants of hotel choice are location, quality, and price. Survey participants rarely stated that promotional efforts played a role in their choice of hotel, but were eager to evaluate hotel promotional efforts. The most important source of information on hotels was the Internet. The number of Internet users around the world increases every year from 2.5 billion in 2012 to 2.75 billion in 2013 (www.statista.com/statistics/273018/number-of-internet-users-worldwide). This growth also makes the Internet increasingly more useful in the hotel industry. The usefulness of the Internet in promotional efforts in the tourist industry is changing dynamically – the Internet ranked last in surveys performed in the late 1990s. The studies addressed both small hotels and other tourism-related businesses in Great Britain: public house/bar (30%), hotel (20%), restaurant/café (10%), B&B/guest house (11%), fast food/take away (8%), visitor attraction (4%), self-catering accommodation (4%), travel agent (3%) (Friel, 1999). The research uncovered nine principal methods of business promotion. Local advertising was the most widely used form of promotion with over two-thirds of the sample and the least used form of promotion overall was advertising on the Internet. Some differences were observed based on branch of industry. The situation changed rather quickly. In a 2005 research study, survey participants were asked to select promotion vehicles through a checklist question. The prevalent methods included a business website (78%), brochures provided at tourism bureaus (63%), word of mouth (44%), newspaper advertising (39%), Internet/web/e-mail advertising (30%), direct mail advertising (28%), magazines (24%), travel agencies (22%), radio (22%), billboards (17%), television (15%), and brochures distributed through local businesses (13%). Other techniques mentioned by less than 10% of the sample included visitors' and convention bureaus, bed and breakfast associations, and sales promotion. (Stewart and Barr, 2005). It is clear today that a hotel cannot gain a competitive advantage over other hotels without a presence on the Internet. The main research finding in this area is that hotels must have their own websites as well as a presence at reservation portals. Both types of websites serve to promote hotels and provide other types of information relevant to potential hotel guests. Social media is another means of promotion, which is getting high marks in survey studies. Facebook has become one of the most effective communication channels for tourist-oriented businesses

(Chitu and Albu, 2013). Internet promotion in the hotel industry features multiple advantages including the ability to interact with potential customers. This type of dialog was not possible with traditional means of promotion. Technological progress must not be ignored in light of the fact that tourists themselves are becoming more technologically aware and often demand that service providers do the same (Rudzic et al, 2011). It is to be expected that the role of the Internet in hotel promotion will increase with time and will continue to evolve along with newer technologies being adopted by the hotel industry. A review of the research literature indicates that hotel guest ratings of hotel promotions depend on an array of variables including hotel type. Research has shown that individuals with a higher level of education are less likely to accept the recommendations of others as valid (Chan and Wong, 2006). Whether a hotel is part of a domestic or international hotel chain also plays a role due to globalization, which is also visible in the hotel industry. On the one hand, international hotel chains are better able to open new hotels in new places around the world than domestic hotel chains. On the other hand, international hotel chains encounter cultural contexts and market situations that are dissimilar to those in their home countries. This requires a new approach to promotional efforts. Research has shown that the promotional efforts of international hotel chains are ranked lower than those of domestic hotel chains. The problem of communicating a consistent message characteristic of a given brand as well as differentiating strategies in order to satisfy local customers was studied by Huang and Cai (2010). This research study showed differences in image messages between two language platforms (English and Chinese) for three hotel brands – Hilton, Holiday Inn, and Super 8. The noted differences were associated with brand positioning, product development, market segmentation, promotion strategies, distribution channels, and pricing (Huang and Cai, 2010). However, the key question remains whether these hotel chains differentiate their branding strategies to satisfy local customers. There are also several limitations that should be mentioned. First, the sample used in this study, collected from guests staying at hotels in Poland may not fully represents the populations of travelers. Second, the data was collected in the spring (from March to June). Further studies are suggested across different seasons to expand the pool of results.

References

- Bhagwat, Y.N. & DeBruine, M. (2008). Uspjesnost oglasavanja u hotelskoj i turističkoj industriji. Advertising efficiencies in the hospitality and tourism industry. *Acta turistica*, 20: 200–218.
- Chan, E.S.W. & Wong, S.C.K. (2006). Hotel selection: When price is not the issue. *Journal of Vacation Marketing*, 12 (2): 142–159.
- Chen, L., Lin, S. & Kuo, C. (2013). Rural tourism: Marketing strategies for the bed and breakfast industry in Taiwan. *International Journal of Hospitality Management*, 32: 278–286.
- Cheung, C. & Law, R. (2002). Virtual MICE Promotion: A Comparison of the Official Web Sites in Hong Kong and Singapore. *Journal of Convention & Exhibition Management*, 4 (2): 37–51.
- Chitu, I.B. & Albu, R.G. (2013). Aspects regarding the use of Facebook within the hospitality industry – a case study in Romania. *Bulletin of the Transilvania University of Braşov*, 6 (55), No. 1, Series V: Economic Sciences: 97–102.
- Christou, E. (2011). Exploring online sales promotions in the hospitality industry. *Journal of Hospitality Marketing & Management*, 30, 7: 814–829.
- Christou, E. (2013). Exploring brand confusion through hotel adverts. *Tourismos An International Multidisciplinary Journal of Tourism*, 8 (3): 151–163.
- Clark, J.D. & Dotson, M.J. (2004). The impact of promotions on hotel decision choice: a demographic study". *Journal of Hospitality & Leisure Marketing*, 2 (3): 81–95.
- Datko, M. (2008). Wskaźniki pomiaru skuteczności i efektywności wydarzeń promocyjnych. Available at: wsp.pl/file/56_946083143.pdf (accessed on 10.07.2015).
- Ariel, M. (1999). Marketing practice in small tourism and hospitality firms. *Journal of Tourism Research*, 1 (2): 97–109.

- Han, J.H. & Mills, J.E. (2006). Zero acquaintance benchmarking at travel destination websites: What is the first impression that national tourism organizations try to make? *International Journal of Tourism Research*, 8: 405–430.
- Huang, J. (Zhuowei) & Cai, L.A. (2010). Online Image of Multinational Hotel Brands on Different Language Platforms. *Journal of China Tourism Research*, 6 (3): 279–295.
- Ip, C. & Law, R. (2011). A review of website evaluation studies in the tourism and hospitality fields from 1996 to 2009. *International Journal of Tourism research*, 13 (3): 234–265.
- Kotler, P., Armstrong, G., Sunders, J. & Wong, W. (2002). *Marketing. Podręcznik europejski*. Warszawa: Polskie Wydawnictwo Ekonomiczne.
- Kotler, P., & Armstrong, G. (2011). *Principles of Marketing*. Pearson Prentice Hall.
- Low, R. & Ng, C. (2011). Marketing Strategies for Small Hotels: The Case of Cheung Chau in Hong Kong. *Asia Pacific Journal of Tourism Research*, 16 (1): 21–38.
- Lubetkin, M. (1999). Bed-and-breakfasts: Advertising and promotion. *Cornell Hotel and Restaurant Administration Quarterly*, 40 (4): 84–90.
- Primorac, D. Smolić, M. & Bohomolec, M. (2012). Internet use as a part of business strategy in small hotels in the Republic of Croatia. *Megatrend Review*, 9 (1): 317–328.
- Ruzic, D. Andrilic, B. & Ruzic, I. (2011). Web 2.0. promotion techniques in hospitality industry. *International Journal of Management Cases, Special Issue: CIRCLE Conference*: 310–319.
- Stewart, K.L. & Barr, J. (2005). Promotional Methods Used by Hospitality-Related Firms in Close Proximity to Pennsylvania Rail-Trails. *Journal of Hospitality & Leisure Marketing*, 13 (2): 55–65.
- Taylor, D. (2001). *Hospitality Sales and Promotion: Strategies for Success (Professional Hospitality Guides)*. Butterworth Heinemann, Oxford.
- www.statista.com/statistics/273018/number-of-internet-users-worldwide.

Cite this article as: Kapera, I. (2015). Hotel promotion as viewed by customers. *Szczecin University Scientific Journal*, No. 872. *Service Management*, 15 (1): 49–55.

