

## **DIGITAL MARKETING STRATEGY BASED ON HOTEL INDUSTRY STUDY IN TBILISI**

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### **Abstract**

Digital Marketing is a processual and causeful, accomplishment of daily obstacles mix. It is a broad term, refers to advertising using offline and online marketing channels. As long as there are no widely available and complete educational courses of digital marketing it becomes highly demanded almost in every field in Tbilisi, Georgia. Digital marketing requires a unique set of knowledge and a person with a classical marketing degree cannot sufficiently run digital campaigns, thus organizations mainly outsource the digital marketing to agencies or do it independently and frequently with major mistakes.

Even though “Digital marketing” is a new term in Tbilisi, Georgia, still many realize its importance for business. Proper digital marketing campaigns are most vital for some business industries. One of those industries is a tourism sector, in particular the hotel business. Tourism industry is one of the successful and rapidly growing spheres in Georgia, where digital marketing channels play a huge role for finding customers. The key determinant of the hotel business success is the proper digital marketing campaign, though inaccuracy and lack of knowledge of managing digital marketing channels negatively affect the hotels' sustainable development.

Goal of the paper is to investigate, develop and define digital marketing online communication channel strategy based on the hotel industry.

Research Objectives:

- Investigate online marketing channels in the hotel industry;
- Create online marketing channels' allocation guide;

Research Question:

- Which are the most effective online marketing channels in hotel business?

This work aims to come up with a practical digital marketing online communication channel strategy and ready to use guidelines in hotel industry.

Research Methods:

As mentioned before, the aim of this paper is to investigate, analyze and develop digital marketing online channels strategy for hotel industry. Accordingly quantitative approach was conducted during the research.

From quantitative data sources was conducted:

- Questionnaire – 70 hotels (in Tbilisi).

**Keywords:** Digital Marketing, Digitalize, allocation guide, hotel digital marketing

## 1 INTRODUCTION

“The internet has become one of the motors of the 21st century economy, allowing all of us to reach a global audience at a click of a mouse and creating hundreds of thousands of businesses and millions of jobs”. (Cerf, 2012)

Living in the digital age, means digital transformation. World's most countries try to become digitalize as well as Georgia. Companies move their offline processes into online. The term customer changed to mobile and internet user.

There is a high possibility to reach potential customers through the internet using social media marketing, Google Adwords; online distribution channels, review sites and so on. According to Ashley Dillon, (2017) digital experience trends can increase direct online conversions.

Digital marketing opens door to the opportunities that never existed before. To fully benefit from digital technologies, hotels marketing department should have be upgraded. Correspondingly, hotels must be present in social media, need to create more content about the product and services to inspire their new customer through the internet.

As mentioned before, tourism industry is one of the successful and rapidly growing spheres in Tbilisi, Georgia, where digital marketing channels play a huge role for finding customers. The key determinant of the hotel business success is the proper digital marketing campaign, though inaccuracy and lack of knowledge of managing digital marketing channels negatively affect the hotels' sustainable development.

## 2 LITERATURE REVIEW

### 2.1 What Is Digital Marketing?

Digital marketing is a broad term that encompasses all marketing channels and methods you can use to promote products or services on the Internet but also on electronic devices such as TVs, mobile phones and electronic billboards. More than that, digital marketing has a different numbers of channels. Accordingly, channels are separated based on online and offline marketing circumstances.

Online marketing channels:

- Search engine optimization (SEO)

SEO is processual meaning, increasing organic (or free) website traffic, as well as, optimizing your website to "rank" higher in search engine results pages.

Content Marketing Content Marketing known as the “king” is the fuel that drives your digital activities. It is a basic component of SEO and in social media.

- Social Media Marketing

The channels that can be used in social media include: Facebook; Instagram; LinkedIn; Twitter; Snapchat;

- Google+
- Pinterest
- Pay-Per-Click (PPC)

“PPC is a method of driving traffic to your website by paying a publisher every time your ad is clicked. One of the most common types of PPC is Google AdWords, which allows you to pay for top slots on Google's search engine results pages at a price "per click" of the links you place. Other channels where you can use PPC include: Paid ads on Facebook; Promoted Tweets on Twitter; Sponsored Messages on LinkedIn”. (Alexander, 2019)

- Email Marketing
- Mobile Marketing

Offline Marketing Channels deals with traditional marketing, such as:

- TV Marketing
- SMS Marketing
- Radio Marketing

- Billboard Marketing

“Marketing has always been about connecting with your audience in the right place and at the right time. Today, that means you need to meet them where they are already spending time: on the internet”. (Alexander, 2019)

Based on “The Statistics Portal” 4.4 billion users were active in internet and 3.4 billion were active in social media. Fig 1

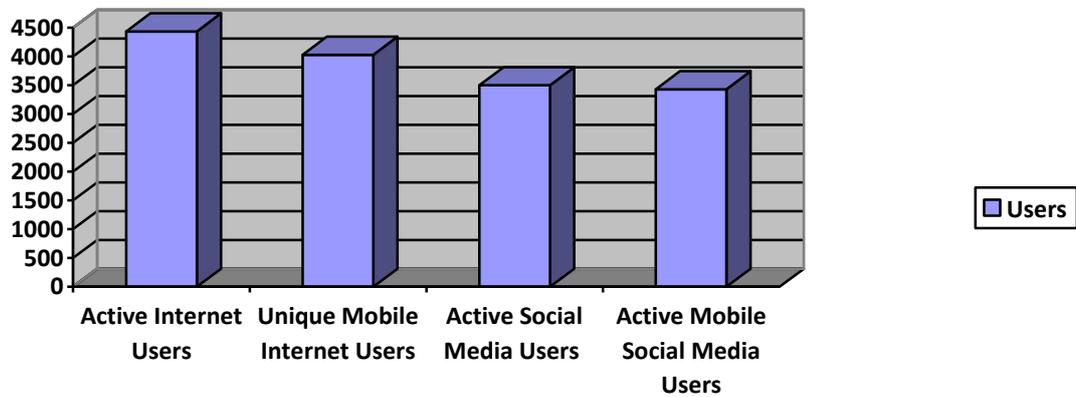


Fig1 / Global digital population as of April 2019, Statista.

## 2.2 Effective Hotel Digital Marketing Strategies

Digital marketing in hotel industry is a causeful process. Over the last decades hotels moved their offline activities, such as radio, TV and newspaper into online marketing channels. According to Amit Vyas (2018), correct budget allocation is a key success of the hotel digital marketing strategy. “The major marketing options available today are listed below: Social Media Marketing (Facebook, Instagram, Snapchat, Twitter, LinkedIn) Email Marketing (own and 3rd party databases) Search Engine Marketing ( Google AdWords or Display networks) Publisher Networks (Direct advertising campaigns on specific websites) Programmatic Networks (Using user-intent and contextual marketing targeting travellers) Review websites: (Sponsored content and advertising banners on platforms such as TripAdvisor)”. (Vyas, 2018)

Based on his 12 years of digital marketing experience within the industry, Amit introduces the typical model of budget allocation for low-moderate budget advertising hotels in 2018. Fig 2

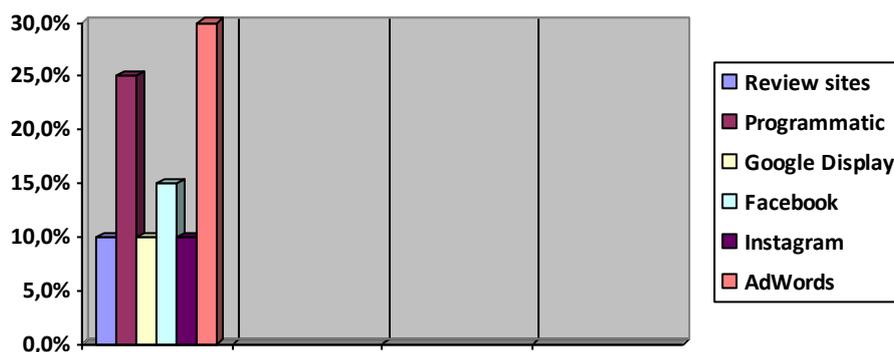


Fig. 2 /Recommended digital marketing allocation for hotels in 2019, Amit Vyas. February 11, 2018

## 2.3 Digital Marketing Strategies for Hotel Industry

Based on Oscar H. Pedraza Rendón, Rubén Molina Martínez, and María S. Ramírez Flores research (2014) digitization is an essential part of a successful business model in hotel industry. “Digitization. This is the factor that historically represents the greatest opportunity for hotels to compete with weapons similar to those of large enterprises”. (Rendón, Martínez, & Flores, 2014, p. 276) They describe digitalization as fast, geographical obstacles breaker, determinant segmentation, tool of advanced transformation of advertising,

promotion and public relations and absolute results receiver. Stand on the research that was conducted in Mexico, showed the big gap about digitization to compare with USA, England or to German. In reality 70% of family hotels do not have a website.

According to Patrick De Pelsmacker, Sophie van Tilburg, Christian Holthof (2018), digital marketing strategies and tactics affect indirectly on hotel performance. The research was conducted in 132 Belgian hotels. " Digital marketing strategies and tactics affect both the volume and valence of online reviews and, indirectly, hotel performance. This is more outspoken in chain hotels than in independent hotels and in higher-star hotels than in lower-tier hotels." (Pelsmacker, Tilburg, & Holthof, 2018)

In agreement with Ioana Alexandra Benea, Online marketing channels goal must S.M.A.R.T.

- "Specific goals reflect the objectives of a marketer, when deciding what social media tools to use;
- Measurable goals are essential in order to be able to see if the objectives set have been achieved in the end. Goals that sound impossible to reach will not be taken seriously by anyone;
- Hence Achievable goals should be chosen.
- Similarly, Realistic goals refer to taking into consideration all the external factors that could influence the final result.
- Finally, goals should be Time-based which means a specific target should be attained within a specific time period. Goals are a way to make people more persistent in what they are doing by putting more effort into their actions. As managers do not always have the ability to motivate their employees, setting goals is an alternative to this issue. They provide a vision of what has to be achieved in order to succeed". (Benea, Influences of Social Media on the Tourism and Hospitality Industry, 2014)

As reported in the study, the main research was: "How do stakeholders in the tourism and hospitality industry measure the success of social media in their business?" (Benea, Influences of Social Media on the Tourism and Hospitality Industry, 2014)

As a result of 9 hotels' interviews, that operates in Vienna Benea received a stimulating results. As a matter of fact, doubtfully social media and online marketing channels are ongoing process and should be considered as the integral part of the hotel marketing, notwithstanding hoteliers never measured social media in terms of revenues and cost. "They measure engagement levels of followers, rating and reviews from customers, but never connect the positive or negative feedback with the number of bookings. The hoteliers use social media mostly to make their customers aware of their brand and product and to communicate with them in order to identify their wants and needs". (Benea, Influences of Social Media on the Tourism and Hospitality Industry, 2014)

## 2.4 International Traveler Trips in Georgia

Based on Georgian National Tourism Administration the percentage of tourists based on international visits in 2017 to compare 2018 increased by 9.8%. Accordingly, these numbers push us to think big and make hotel industries service and product more effective and efficient. Easily accessible for foreigners. Fig. 3

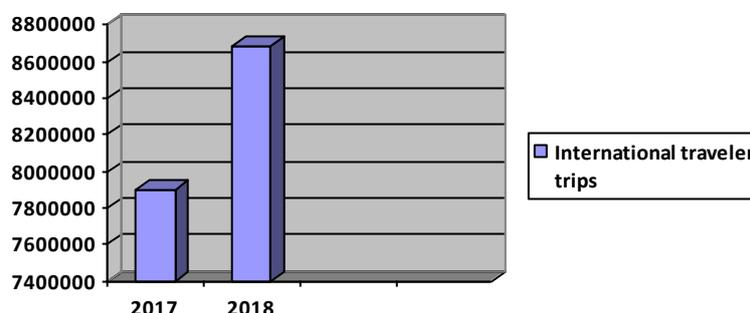


Fig. 3 / Georgian National Tourism Administration, 2017, 2018)

## 3 METHODOLOGY

As mentioned before, the aim of this paper is to investigate, analyze and develop digital marketing online channels strategy for hotel industry. Accordingly quantitative approach was conducted during the research.

From quantitative data sources was conducted:

- Questionnaire – Research was conducted in 70 hotels (in Tbilisi).

Questionnaire consisted of thirteen questions. Two open questions with a short answer box, and last eleven with checkbox and multiple choice questions.

1. Does the hotel have its own website?
2. Do you use social media marketing?
3. Which social media do you use?
4. What is Facebook Ads monthly budget?
5. What is Instagram Ads monthly budget?
6. Which social media platform do you prefer?
7. Do you use Google AdWords?
8. What is Google AdWords monthly budget?
9. Which online channel is the most effective for the hotel reservations?
10. Which distribution channels and review sites do you use?
11. Which is the most effective? Specific webpage or social media marketing?
12. Do you run Ads on the specific websites?
13. Which website or social media can bring you a remarkable success?

### **3.1 Results**

60% of hotels have their own website and 40% no. 100% of hotels use a social media management. 100% of hotels have Facebook Business page. 67% have Instagram business page. 84% of hotels prefer Facebook than Instagram.

Hotels Facebook monthly budget:

- 8% -0\$
- 17% - 0\$-50\$
- 17% - 50\$-100\$
- 25% - 150\$-200\$
- 33%- 200\$-250\$

Hotels Instagram monthly budget:

- 25% - 0\$
- 41% - 0\$-50\$
- 9%- 50\$-100\$
- 25% - 100\$-150\$

84% prefers Facebook social media marketing.

84% does not use Google AdWords.

16% who uses Google AdWords, monthly budget for it is 150\$-300\$.

68% prefers Facebook social marketing rather than Google AdWords and Instagram Marketing.

Only 1% makes online reservations by their owned website. Other uses distribution channels such as booking.com; airbnb.com; hotels.com, expedia.com and etc.

75% rates Booking.com as the most important channel.

8% rates Expedia.com

8% airbnb.com

9% Tripadvisor.com

91% pay for TripAdvisor Ads. TripAdvisor Ads Budget for 9% is 100\$-150\$.

The question “which website or social media can bring them remarkable success?” 82% answered the Booking.com.

#### 4 CONCLUSION & RECCOMENDATIONS

To conclude, stand on the research what was conducted in this paper in Tbilisi, Georgia, showed a big gap in digital transformation. From my view of point, the reason of not having website, neither using Google AdWords is the significant amount of people working in the hotel industry with a lack of knowledge of digital marketing.

According to the results of the research the most effective digital online marketing channel is Facebook. And Booking.com as the dominant online distribution channel. Furthermore, by 82% Booking.com was named as the remarkable website that helps hoteliers to engage with potential customers and brings more reservations than any other website or social media.

Based on the research, to sum up digital online strategy for hoteliers should come up firstly with booking.com and than with Facebook marketing.

##### Recommendations

Hotels need to become more digitalize. To handle various digital platforms, know how to communicate through these channels is the ability that nowadays is known as “digital literacy”. Correspondingly, People working in the hotel business need to be digitally literate.

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