

Online Marketing Management for hotels in Saudi Arabia

ادارة التسويق الالكتروني للفنادق بالسعودية

by:

Sultan Almetrf (20223006406)

Shahad Yamani (20223006436)

Sameer Yamani (20223006476)

supervised by:

Dr.walid Soliman

Date: 2023

ABSTRACT:-

This paper explores the importance of online marketing management for hotels in a local city. The advent of technology has brought about a significant shift in the way businesses market their products and services. For hotels, the ability to reach potential guests online has become critical in maintaining and growing their business. The paper discusses various aspects of online marketing management such as search engine optimization, social media marketing, email marketing, and online advertising. The study focuses on the unique challenges and opportunities that hotels face in a local city market, and provides practical recommendations for hotels to optimize their online presence and increase their visibility to potential guests. The results show that effective online marketing management can have a significant impact on a hotel's performance and bottom line, and that hotels that invest in these strategies can gain a competitive advantage in the market.

Table of Contents

Introduction	6
Literature review	7
Some benefits of online marketing management	7
Research problem	8
Hypotheses	9
Methodology	7
The limitation of the study	8
Local visitors for hotels	9
Advertising for local hotels	11
The target crowd for local hotels visitors	12
What motivates local visitors?	13
Action plan to attract local visitors	15
Conclusion	16

Table of figures

Figure 1	7
Figure 2	11
Figure 3	12

Research Structure

I. Introduction

- A. Background and context of the problem
- B. Research questions
- C. Purpose and objectives of the study
- D. Significance and potential contributions of the study

II. Literature Review

- A. The start of online marketing management
- B. the effect of the online marketing

III. Methodology

- A. Research design and approach
- B. Data collection methods (e.g., qualitative interviews, survey questionnaire)
- C. Sampling procedures and participant characteristics
- D. Data analysis procedures

IV. Results and Findings

- A. Overview of data collected
- B. Analysis of qualitative data
- C. Quantitative analysis of survey results

V. Discussion and Conclusion

- A. Interpretation of results
- B. Comparison to previous research
- C. Implications for E-marketing startups
- D. Limitations of the study and directions for future research

VI. References

- A. List of all references cited in the study.

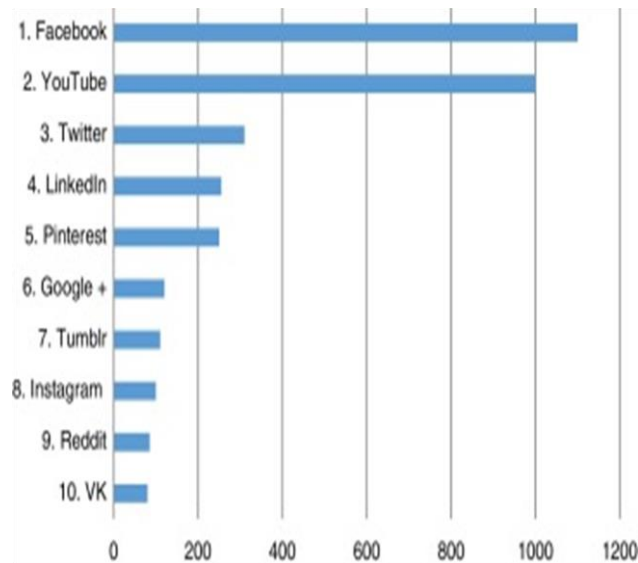
Introduction:

With changes in time, requirements, technology and expectations of the customers, the field of marketing itself has experienced significant changes. It is noteworthy to mention that marketing dynamics shifted from “farm centric” to “consumer centric” perspectives. With evolution in the market dynamics, it is becoming a difficult issue to choose the correct channel to reach the consumer within a specific target group (1). Now it is a well-known fact that what we call 'marketing' has undergone substantial changes over the recent years, and the key role in this transformation has been played by internet. Internet "refers to the physical network that links computers across the globe. It consists of the infrastructure of network servers and wide –area communication links between them that are used to hold and transport the vast amount of information on the internet (2).

The growth of Internet technology has enormous potential as it reduces the costs of product and service delivery and extends geographical boundaries in bringing buyers and sellers together. The Internet also allows small businesses to access markets and to maintain a presence that help them to compete against industry giants. In fact, the Internet has changed the face of marketing with its instant yet personalized reach to a global audience. Furthermore, the Businesses are increasingly using the Internet for commercial activities. The ubiquitous nature of the Internet and its wide global access has made it an extremely effective mode of communication between businesses and customers (3).

However, social media remain in continuous growth, by some accounts have become the main channel for costumers to experience and interact with the world. To help attain their goals, people join general or more specialized networks and search, share, participate, consume and play (4).

The social media phenomenon could be approached from several perspectives. First, from sociology or anthropology, networks favor interaction between people all around the world. Facebook and YouTube reached more than 1000 million users, as presented in Fig. 1. That means that more than one third of all Internet users in the world, and more than one sixth of the global population, are active members of such networks. Also, from an economic approach, social media have an important value for the firms that own them, although often users do not pay for these services. The recent acquisition of LinkedIn by Microsoft for 26,200 million US\$ (more than 102 US\$ per user), is an example of the potential value and high rivalry in the social media domain. Corporation's strategic mergers and acquisitions to gather clients, such as Facebook purchase of Instagram and WhatsApp, reveal how important is for companies to lead this digital evolution (5).



Figure(1)

Literature review

After 1991, an unprecedented growth has been observed in online marketing. The number of web sites and number of search engines have increased. Globally, the number of web sites increased from 23,000 in 1995 to more than 55 million in 2005. Internet shopping offers a vast array of alternative products with full information about their configuration thus helping customer to quantify the need and then purchase. Consumers generally click multiple websites to compare the configuration and price of the desired products. There is lots of variation in the way the online marketing is perceived. Many consumers want to buy in the physical store but want to get information from internet. In many cases consumers go for better deals on the internet after physical verifications. Reduction in search costs and easy accessibility are also the reasons behind the move towards online shopping.

Several studies conclude that the basic reason for increased popularity of the online marketing are that the consumers can purchase any time (24×7) and at any place. Even without spending time on moving to physical store and ability to pay and order at time, are pushing the online marketing to a much higher degree.

Some benefits of online marketing management

Increased visibility and reach: Online marketing allows companies to reach a wider audience, both domestically and internationally, and to increase their visibility to potential customers.

Cost efficiency: Online marketing can be more cost-effective than traditional marketing methods, as it allows companies to target their efforts and resources more precisely, reducing waste and increasing return on investment.

Better customer engagement: Online marketing can help companies engage with customers in more meaningful and relevant ways, through the use of personalization and customization.

Improved customer insights and data-driven decision making: Online marketing generates a wealth of data and insights about customer behaviour, which can be used to inform and improve marketing efforts.

Increased competitiveness: Effective online marketing can help companies stay ahead of the competition by keeping them at the forefront of industry trends and advancements.

Better brand building and reputation management: Online marketing can help companies build their brand and reputation by providing them with a platform to showcase their products, services, and values to a global audience.

More targeted and efficient marketing: Online marketing allows companies to target their marketing efforts to specific segments of the population, based on demographics, interests, and behaviours, which can lead to more efficient and effective marketing initiatives.

Overall, effective online marketing management can help companies achieve their business goals, grow their customer base, and increase their revenue and profitability.

Research problem

One main issue of online marketing for hotels regarding locals is how to effectively target and engage with this specific audience. While many hotels focus their marketing efforts on attracting tourists and out-of-town visitors, it is important not to neglect the potential business that can come from the local community.

One challenge is determining the most effective channels for reaching local audiences. Traditional marketing methods such as print ads and billboards may not be as effective as digital marketing methods such as social media and email marketing.

Another challenge is creating content that resonates with locals. Hotels may need to adjust their messaging and promotions to appeal to residents rather than tourists. For example,

offering discounts or special packages for locals or promoting events and activities that are popular among the local community.

Lastly, hotels may need to work on building relationships with local businesses and organizations to increase visibility and trust within the community. Partnering with local businesses for promotions or hosting events that benefit the community can help hotels establish a positive reputation and attract more local business.

We will focus on attracting locals for entertainment by following few steps:

1. Make a study and survey to get a sample.
2. Filter those number
3. See the strength and weak points.
4. Improve and adjust weak points.

Hypotheses

Targeted online marketing efforts towards locals can increase bookings and revenue for hotels.

If hotels can effectively target and engage with the local community through online marketing efforts, they may be able to tap into a new customer base and increase bookings from locals. This could lead to an increase in revenue for the hotel.(5)

Offering promotions and packages specifically for locals can increase hotel loyalty and repeat business.

By offering locals discounts or special packages, hotels may be able to incentivize locals to stay at the hotel and become loyal customers. This could lead to repeat business and positive word-of-mouth marketing within the local community.

Building relationships with local businesses and organizations can increase visibility and trust within the community, resulting in increased bookings from locals.

By partnering with local businesses and organizations, hotels may be able to increase their visibility within the community and build trust with locals. This could lead to an increase in bookings from locals who are more likely to choose a hotel that is actively involved in the community. (6)

Creating a base system to study the promoter customer and none promoter by asking customer after staying through SMS.

By making an net promotor score (NPS) system, the company can grantee following up with customers and make improvements and have free marketing from satisfied customers.

Methodology

Identify the target audience: To effectively market to local residents, hotels must first identify who their target audience is. This can be done by analysing customer data, conducting surveys or focus groups, or researching local demographics. (8)

Develop localized messaging: Once the target audience is identified, hotels can develop messaging and promotions that specifically appeal to local residents. This might include highlighting amenities or services that are popular with locals, creating packages or deals that are targeted at local residents, or showcasing the hotel's involvement in the local community.(9)

Select the appropriate channels: Hotels should then select the appropriate channels to reach local residents. This may include social media platforms, email marketing, targeted advertising, or partnerships with local businesses or organizations. (10)

Execute the marketing plan: Once the messaging and channels are identified, hotels can execute their marketing plan. This may involve creating content for social media, sending out email campaigns, placing targeted ads, or hosting events that appeal to the local community.

Measure and analyse results: Finally, hotels should measure and analyse the results of their marketing efforts to determine what is working and what is not. This may involve tracking website traffic, bookings, and revenue generated from local residents, as well as monitoring engagement and feedback on social media and other channels. Based on this analysis, hotels can adjust their marketing strategy to further improve their results. (11)

The limitation of the study

Limited sample size: One potential limitation of researching online marketing for hotels locally is that the sample size may be limited. Depending on the size of the local community and the number of hotels in the area, it may be difficult to obtain a large enough sample to draw meaningful conclusions. (9)

Limited data availability: Another potential limitation is that data on local residents' behaviour and preferences may be limited. Hotels may need to rely on surveys, focus groups, or third-party data sources to obtain this information, which may not always be reliable or comprehensive.

Changing consumer behaviour: Consumer behaviour is constantly evolving, particularly in the digital age. What may have been an effective marketing strategy for hotels locally a few years ago may not be effective today. It is important for hotels to continually monitor and adapt their marketing strategies to keep up with changing consumer behaviour. (12)

Difficulty in measuring effectiveness: Measuring the effectiveness of online marketing for hotels locally can be challenging. It may be difficult to attribute bookings or revenue directly to a specific marketing campaign or channel, particularly if multiple channels are being used simultaneously.

Dependence on third-party platforms: Hotels may be dependent on third-party platforms such as social media or search engines to reach local residents. Changes to these platforms' algorithms or advertising policies could impact hotels' ability to effectively reach their target audience.

Local visitors for hotels

We found after collecting data that most people are willing to visit hotels not only for staying but for many other reasons such as:

1. Dining: Local hotels often have restaurants and cafes that are open to the public, offering a range of dining options. People may visit these establishments for a meal or to meet with friends and family.
2. Events: Hotels frequently host events such as weddings, conferences, and meetings. People may attend these events as guests or organizers.
3. Recreation: Many hotels have facilities such as swimming pools, gyms, and spas that are available to guests and the public. People may visit local hotels to use these facilities.
4. Business: People may visit local hotels for business purposes, such as to attend meetings or conferences, or to use the hotel's business center or other facilities.
5. Special Occasions: Local hotels may also be popular destinations for special occasions such as birthdays, anniversaries, or romantic getaways.

Older studies didn't focus on locals but according to a report by the American Hotel and Lodging Association from 2017, around 60% of hotel guests in the United States are leisure travellers, while the remaining 40% are business travellers. (13)

Based on those reasons we have made a survey asking people how willing they are to visit and if they have visited before for such reasons.

Many people are willing to visit local hotels but most of marketing companies doesn't focus on those costumers mostly they focus on people from other cities or countries even in occasion such as Eid, Ramadan, national day, and other events. Even though our study shows that they are willing and wants the change on those events.

Use social media platforms: Social media is an excellent way to reach out to locals, promote your hotel's amenities, and engage with potential customers. Share visually appealing content that showcases your hotel's unique features and location, and encourage users to share their experiences.(14)

Run local promotions: Offer special rates or promotions exclusively for locals to attract more bookings. Advertise these promotions on social media, email newsletters, and your hotel website.

Partner with local businesses: Collaborate with other local businesses to promote your hotel as a staycation destination. For example, partner with a popular restaurant to offer a package deal that includes a discounted stay and meal.

Optimize your website: Make sure your website is optimized for local SEO to ensure that it shows up in search engine results when locals are searching for hotels in your area. Use relevant keywords, create local content, and add your hotel's location to your website's meta descriptions.(15)

Utilize email marketing: Create targeted email campaigns to promote your hotel to locals. Use personalized messaging and offer special rates or promotions to encourage bookings.(16)

Advertising for local hotels

The focus will be on 5 stars hotel, the reason why we focus on this class is because those hotels have more facilities and more services such as gym, dining, swimming pools and view. Based on our research it shows that every 100 people there is 86 people have visited hotels in their local city for all kind of reasons. Those numbers show possible huge income if used well advertising in the wrong time well not show results.

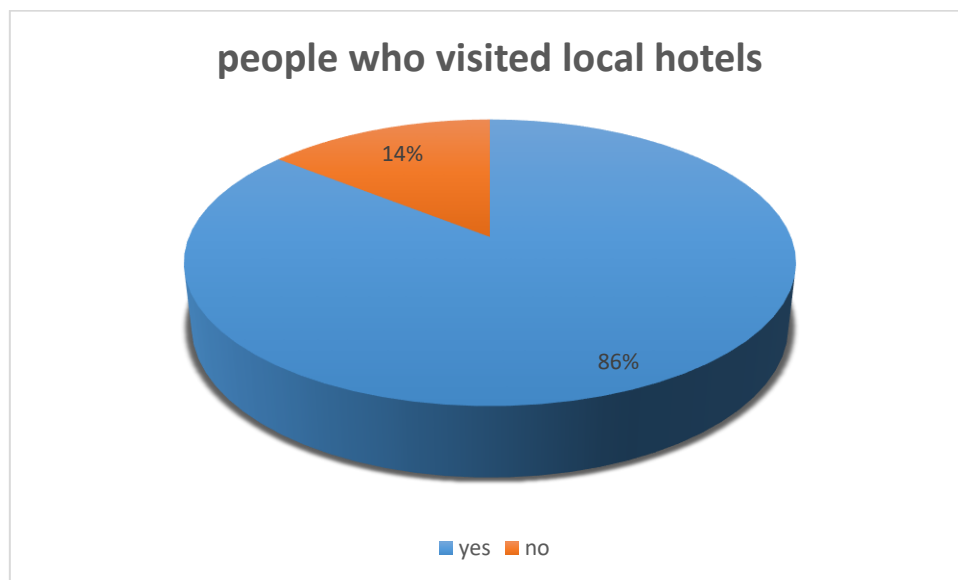


Figure 2

One of the methods of digital advertising is Pay-per-click (PPC) advertising is a type of digital advertising where an advertiser pays a fee each time their ad is clicked by a user. This advertising model is commonly used in search engine advertising, where businesses bid on relevant keywords that are related to their products or services.

When a user enters a search query that matches the keywords the advertiser has bid on, the search engine displays the relevant ads at the top or bottom of the search results page. If the user clicks on the ad, the advertiser is charged a fee based on the bidding price for that particular keyword.

PPC advertising offers several benefits for businesses. It allows businesses to target specific audiences based on demographics, location, interests, and behaviour. This helps to ensure that the ad is displayed to the right audience, increasing the chances of conversions and sales.

PPC advertising also offers real-time tracking and reporting, which allows businesses to monitor their ad performance and adjust their campaign accordingly. This helps to optimize the campaign for better results, such as increasing click-through rates, lowering costs, and improving ROI.

This method can be more accurate when it comes to results or studying the results it also will cost less overall due the lower crowd for hotels in local cities unlike when targeting none locals we can use one of the methods mentioned before.

The target crowd for local hotels visitors

In this study we will see who will visit for business, leisure and staying. We found that most people are visiting for leisure usually this happens during an event or a holyday. We found that every 100 people 81 one of them goes for leisure. See the following chart.



Figure 3

What motivate local visitors?

For local visitors they are not looking for something cheap common they want to experience the 5 stars luxury that most hotels offers based on the survey we made they are looking for the following:

- Inside stores
- Inside fancy restaurant
- Good location with good view
- Having inside events
- Being spacious
- Spas
- Sea or pools activities (waterpark)
- Play areas for kids
- Gyms

What offers could attract those customers?

- Exclusive offers across the year
- Special offers during events
- Loyalty programs

Exclusive offers for hotels can be an effective way to attract new customers and retain existing ones. Here are some ideas for creating exclusive offers for hotels:

Early bird offers: Offer a discount or special rate for guests who book their stay in advance, giving them a reason to plan ahead and secure their booking.

Package deals: Offer special packages that include accommodations, meals, activities, or other amenities, giving guests a more comprehensive and convenient experience.

Seasonal offers: Offer discounts or special rates during off-peak periods, when demand for hotel rooms is lower.

Social media promotions: Use social media to promote exclusive offers, such as discounts for guests who follow your hotel's social media pages or share their experiences online.

Corporate discounts: Offer special rates or packages to corporate clients, which can lead to repeat business and positive word-of-mouth.

Referral incentives: Offer incentives to guests who refer their friends or family members to your hotel, such as a discount on their next stay.(17)

A loyalty program for hotels is a great way to incentivize repeat business from guests. Here are some steps to create an effective loyalty program for hotels:

Define the objectives: Determine the goals of your loyalty program, such as increasing guest retention, driving revenue, or building brand loyalty.

Develop a rewards structure: Determine what rewards you will offer to guests who participate in your loyalty program. This can include free nights, room upgrades, exclusive discounts, or other perks.

Choose a points system: Decide how guests will earn points towards their rewards, such as through room stays, dining at the hotel restaurant, or other activities.

Create a tiered system: Consider creating different levels of rewards based on the number of points earned by guests. This can incentivize guests to earn more points and reach higher tiers.

Market your program: Promote your loyalty program through your hotel website, social media, email marketing, and other channels.

Track results: Regularly monitor the performance of your loyalty program to see if it is achieving your objectives. Use guest feedback to make adjustments and improvements to the program over time. (18)(19)

Online marketing management is essential for hotels in a local city to succeed in the highly competitive hospitality industry. This marketing strategy allows hotels to promote their brand, attract potential guests, and increase bookings by leveraging the power of digital marketing.

In this context, search engine optimization (SEO) is crucial for hotels to rank higher in search engine results pages and attract more organic traffic to their website. A well-optimized website can also lead to higher conversion rates and increased revenue.

Pay-per-click advertising (PPC) is another effective digital marketing strategy that can help hotels reach their target audience and drive more bookings. With PPC advertising, hotels can bid on relevant keywords and only pay when their ad is clicked by a user, making it a cost-effective way to advertise online.

Social media marketing and email marketing are also important aspects of online marketing management for hotels. Social media platforms provide hotels with a powerful tool to engage with their audience, build brand loyalty, and promote their services. Email marketing, on the other hand, allows hotels to keep in touch with their guests and promote their services directly to their inbox.

Action plan to attract local visitors

Identify the target audience: Determine the demographic characteristics of the local visitors you want to attract to your hotel. Are they families, couples, solo travellers, or businesspeople? This will help you create targeted marketing campaigns and promotions.

Create compelling promotions: Develop attractive promotions that appeal to your target audience. For example, if you are targeting families, offer a package deal that includes free breakfast for kids, discounted rates for additional nights, or a free activity voucher for local attractions.

Leverage social media: Use social media platforms such as Facebook, Instagram, and Twitter to promote your hotel and its promotions. Share engaging content that showcases your hotel's amenities and highlights the unique experiences that guests can enjoy while staying with you.

Partner with local businesses: Collaborate with local restaurants, attractions, and other businesses to offer joint promotions and discounts. This can help attract more visitors to your hotel while also promoting the local community.

Utilize email marketing: Use email marketing to reach out to potential guests and share information about your hotel's promotions and events. This is a great way to build relationships with potential customers and keep them engaged with your hotel.

Host events and activities: Organize events and activities that cater to your target audience. For example, if you are targeting families, host a family movie night or a game night with board games and snacks.

Optimize your website: Ensure that your website is user-friendly and easy to navigate. Highlight your hotel's amenities, location, and promotions, and make it easy for visitors to book a stay.

Offer local experiences: Develop unique experiences that showcase the local culture and attractions. For example, if your hotel is located near a beach, offer surfing lessons or sunset cruises.

By implementing these strategies, you can create a compelling and effective action plan to attract local visitors to your hotel.

Conclusion

In conclusion, attracting local visitors to local hotels can be a highly effective strategy for increasing occupancy rates and revenue. By targeting local residents and offering unique experiences, hotels can tap into a previously untapped market and build lasting relationships with customers.

By leveraging social media and partnering with local businesses, hotels can create a powerful marketing campaign that drives traffic to their properties. Additionally, offering attractive promotions and hosting events can help hotels stand out from the competition and create a memorable experience for guests

Moreover, by optimizing their websites and email marketing campaigns, hotels can build a strong online presence that engages with potential customers and drives direct bookings. This can help hotels reduce their reliance on third-party booking sites and increase their profit margins.

Furthermore, creating unique local experiences that showcase the best of the community can help hotels become a destination in their own right. This can help attract visitors from outside the immediate area and boost the local economy.

Overall, the benefits of attracting local visitors to local hotels are clear. By implementing the right strategies and focusing on the needs of their target audience, hotels can create a thriving business that provides a valuable service to their community.

Reference:

- (1) Sharma, A. (2011). Take-off of online marketing: casting the next generation strategies. *Business Strategy Series*, 12(4), 202-208.
- (2) https://d1wqtxts1xzle7.cloudfront.net/34891728/454-libre.pdf?1411784543=&response-content-disposition=inline%3B+filename%3DONLINE_MARKETING_CHALLENGES_AND_OPPORTUN.pdf&Expires=1675946833&Signature=d95k8jOndG4VUPssCNdUdYr4vsI4VyW8eJNRd8kNZzE9whgdgNvcwWJJ7LYokQK39ueBdBdeCtIKQydK7mTPOLGMobZUJqLCIYLIVRddWZRv8wfEKj3vOLHvHq4ydgAG8C3bb3dW88YcfPrbJDI85ynHjNkt7XP9~Q3Yo0MIRxn15Jpfb4mrTAsNZEe1c66TrvIL6x60cUCyYVYqcmIjQVZP2WjVvySHiqKbPGbnEavq-dhFADUgDatd98hZCDZ3TTMBokKj2Ij7jFOitdXBabCb8wRYfeVZQopVO1oYajRKm3P~vc2C7Ff~Q3syuRxT~12MDsjEsarjmmeu~Nl4xg_&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA
- (3) Teo, T. S. (2005). Usage and effectiveness of online marketing tools among Business-to-Consumer (B2C) firms in Singapore. *International journal of information management*, 25(3), 203-213.
- (4) Hofacker, C. F., & Belanche, D. (2016). Eight social media challenges for marketing managers. *Spanish Journal of Marketing-ESIC*, 20(2), 73-80.
- (5) Femenia-Serra, F., & Neuhofer, B. (2019). Local marketing in the digital age.
- (6) Kim, M., & Chung, N. (2016). Understanding the effects of social media on hotel performance.
- (7) Neuhofer, B., Buhalis, D., & Ladkin, A. (2015). Technology as a catalyst of change: Enablers and barriers of the tourist experience and their consequences.
- (8) Okumus, F., Altinay, L., & Wong, A. (2011). The role of social media in the process of online reputation management.
- (9) Sigala, M. (2014). Social media and the tourism experience: challenges and opportunities. In *Information and communication technologies in tourism 2014*.
- (10) Santos, J. (2020). Online marketing strategies and tactics for the hotel industry.
- (11) Buhalis, D., & Law, R. (2008). Progress in tourism management.
- (12) Lee, J., Lee, J. A., & Feick, L. (2018). Reconsidering the limits of social media data.
- (13) American Hotel and Lodging Association.
- (14) "Hotel Marketing Strategies to Target Locals" by Adam Deflorian, Forbes.
- (15) "Local SEO for Hotels: Tips and Strategies to Boost Visibility" by Taylor Murphy, Revinate.

- (16)"Hotel Email Marketing: The Ultimate Guide" by Matthew Strong, Marketo.
- (17)"5 Ways to Create Exclusive Offers That Drive Hotel Revenue" by Revinate.
- (18)"Hotel Loyalty Programs: The Complete Guide" by Cvent.
- (19)"The Power of a Hotel Loyalty Program: The Benefits of Repeat Guests" by Revfine.
- (20)"Marketing Strategies for Hotels: 8 Actionable Tips to Drive More Bookings" by Revfine.com.
- (21)"How to Attract More Local Customers to Your Hotel" by Cloudbeds.com.
- (22)"5 Tactics for Hotels to Attract More Local Guests" by Hoteltechreport.com.
- (23)"Attracting local guests to your hotel - Tips and tricks" by Hotelogix.com.