

The Role of Digital Marketing in the Tourism Industry

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Abstract

The following master's thesis investigates the role of digital marketing and its tools in the field of tourism, including a case study of a hotel. The first part of the thesis focuses on the theoretical background, describing different tools that are used in the industry and focusing on the ones that are of particular use in the field of tourism. In the second part of the thesis, we wanted to study how these insights play out in an actual tourist facility. We performed a study of a hotel's digital marketing strategies. Based on our findings we suggested a number of improvements regarding this hotel's digital marketing. Our suggestions can be used to improve their marketing plan as well as provide a basis for further study in the field.

Keywords: marketing, digital marketing, knowledge management, social media, tourism

INTRODUCTION

Trends around the world change rapidly. Fifteen years ago, it was unthinkable for people to shop online and share their personal information to an unknown website. Today it is completely different, online shopping has become an everyday thing and we no longer have any doubts about sharing our personal data.

It's different in tourism too, the days of printed brochures and newspaper ads are a thing of the past. It is now important for tourism companies to get as many positive reviews as possible online, to have as many guests as possible to share their vacation impressions online with their friends, and to have as recognizable image as possible on the internet (Tas, b. l.).

Digital marketing tools are constantly changing and being supplemented. It is recommended for the company to carry out different marketing campaigns with the help of different tools, so they can reach a larger number of customers and more conversions.

Of course, digital marketing tools do not mean much to us if we are not up to date with current trends. For 2022, digital marketing in collaboration with influencers appears several times among them. Users follow and trust them, so more and more companies decide to cooperate with them (Walker-Ford, 2022).

Another trend is video content, as most consumers would rather watch a video about a company than read a longer article about the same company. Video content can be in the form of a TikTok profile, an interactive video presentation, or an online video ad.

The latest trend is the social network LinkedIn. The site has been around for some time, but despite this, they record a growing number of active users every month. The platform is also preparing many innovations so that companies can achieve even better results than before (Walker-Ford, 2022).

The chosen hotel does not have a defined digital strategy, which also represents the research problem of the assignment. Therefore, we wanted to investigate the use of digital marketing tools and to investigate what is important to guests before booking hotel accommodation. With the obtained results and findings, we wrote down concrete proposals that will enable the hotel to create a digital strategy that will help increase online sales and strengthen their brand.

Areas of digital marketing

Digital marketing is a very broad term, and that is why we have a huge number of areas into which we divide digital marketing. In the assignment, we will present those that are currently the most popular and suitable in the field of tourism. We would highlight the website as the first tool. Ryan (2014) believes that a website is the most important digital marketing tool (Ryan, 2014, p. 35). The website is a basic tool where we can educate our potential customers about our company, and at the same time we can sell and promote our services and products.

Another key digital tool is SEO optimization. SEO can be explained as the optimization of the content on our website, both substantively and technically, which makes it easier for web browsers to find keywords. Simply put, we have to create the kind of content that our potential customers are looking for, and technically we have to make sure that the browser recognizes it by keywords (Lundberg, 2019).

The third type is PPC (Pay per click) and, as the name itself suggests, we pay for each click caused by our ad. Many platforms offer such advertising, but the most popular are certainly "Goggle Adworks" and "Facebook Ads" (Patel, b. 1.).

E-mail marketing, which companies should also not neglect, is, according to Vaswani (2022), one of the cheapest types of digital marketing, since in this form of marketing we send our promotional content to our own contact base and therefore do not waste a lot of money. (Vaswani, 2022).

The final area of digital marketing is social media. Today's web is hard to imagine without them. Kaplan and Haenlein (2010) describe this concept as a group of applications that work with an Internet connection and allow the user to create and modify its content (Kaplan and Haenlein, 2010, p. 53). Social networks can also be described more simply as a platform that was created so that people around the world could socialize and network (Wölwer, 2021). That is why social networks gain more and more users every year.

Role and importance of digital marketing

Digital marketing could also be defined as one of the marketing tools used by companies for the purposes of promotion and sales, and is carried out on all digital media. We connect these media with the World Wide Web and modern technology. As the use of these technologies is at a record high, digital media is also gaining in popularity as a result. Therefore, companies are increasingly investing their time, resources and personnel in this type of marketing. This is also reflected in the results, as more and more companies record higher sales from online sales every year. But that's not all, digital marketing offers us countless opportunities to gain benefits for our business. With the help of digital marketing, you can:

- we build the brand and strengthen the "image" of the company,
- we can open up new markets,
- we educate consumers about our company,
- we are looking for new potential customers,
- we convince potential customers to buy,
- we encourage regular customers to buy again,
- we check satisfaction with our services,
- we test what our customers want.

MATERIAL AND METHODS

Research methodology and sample

We decided that the research will be conducted in the form of a qualitative method. We chose an interview as the data collection technique. We selected the interviewee based on competence and knowledge. We selected the sales manager of the selected hotel. With the help of an interview, we wanted to find out how the selected hotel uses digital marketing tools for marketing and sales purposes. We conducted the interview live, it consisted of twelve pre-prepared questions. We recorded the interview for the purpose of data analysis.

Results of qualitative research

Question 1: Digital marketing is playing an increasing role in the marketing world, we find guests of all age groups in the hotel, so both types of marketing are important. How do you divide the activities in percentage terms according to classic media (classic marketing) and digital media (digital marketing)?

Given that the hotel has guests of all age groups, it was interesting to note that the hotel devotes a large part of its activities to digital marketing. In percentages, we can write that this is 80% against 20%. With the continuation of this trend, this difference will be even greater in the future, and classic marketing in the hotel will represent only 10 percent of the share of marketing activities.

Question 2: Do you carry out digital marketing activities in-house or does another company do it for you?

With the help of qualitative research, we learned that the hotel has its own team in sales and marketing, which is active in the field of digital marketing. In the past, an external agency did this for them, but they realized that they achieve better results if they do it themselves, since they have more knowledge about the hotel and services than external colleagues, just from a substantive point of view. For this reason, they decided to invest more resources in digital marketing education and professional knowledge. As Mr. Topolšek says, all marketers should start dealing with digital marketing. Considering the current situation in tourism, it is necessary to be flexible, and this is precisely the biggest advantage of digital marketing. It allows us to adjust the entire campaign overnight, if the market requires us to do so.

Question 3: A good strategy is crucial for successful online sales, have you analyzed the market and defined your target group? What were the findings?

The hotel does not have a set strategy for digital activities, but it has created its own target group, or in their case, the target guest. They created it based on their product or service. They helped each other with the guidelines they got from the Slovenian Tourist Organization. They defined the target group by imagining a specific person or guest for each group and defining their needs and characteristics based on this person. Based on this target person, they then also create a new offer in the hotel.

Question 4: What share does online sales represent in your hotel?

This is also reflected in the share of online sales. This was very modest in previous years, but in the last two years it has started to grow. Currently, it is between 20 and 30 percent. According to Mr. Topolšek, it will certainly reach up to 50 percent within a few years, if the trend continues.

Questions 5 and 6: What digital marketing tools do you use and do they differ depending on the market you are communicating with? Do the goals differ depending on the digital marketing tool?

We were informed that the hotel uses many digital marketing tools and has different goals set for each one. The first tool is social networks, where they are present with both classic posts and advertising. According to Mr. Topolšek, the results were first visible here as well. The goals of this tool are sales oriented.

PPC advertising on search platforms such as Google and Yandex is also served. The goal here is to target a specific target group or market. Yandex is used because it is actively used by the Russian-speaking market, which represents a large market share in Rogaška Slatina. This tool is also aimed at

selling hotel rooms. The hotel also works with influencers, but they have learned that it is necessary to look for influencers who are in line with their values and address the same target group as the hotel. They also found over time that with some influencers they achieve results immediately, even during their stay; with some only later, after their stay. They also found that they achieve much better results if they work with the same influencer several times, as this way their followers get to know them better. The set goals of this tool are a combination of sales activities and the purpose of building and consolidating the brand.

They also use e-mail marketing, where they realized that it is important to offer the guest the right content at the right time. In the past, they had huge contact bases from many sweepstakes and trade show appearances, but they learned that the rule of thumb here is less is more, which means it's better to have smaller bases with better quality contacts than large bases. That is why they also regularly ask subscribers if they still want to receive their e-newsletters and thus clean up their e-mail list. Here, the primary goal is to sell hotel rooms and additional offers, while the secondary goal is to educate guests about new features and the hotel's offer.

The sales manager realizes that they are not paying enough attention to organic search, which means SEO optimization and video marketing, so they want to devote more attention and resources to this area in the future.

Question 7: Which digital tool do you use to achieve the best sales results?

We were also interested in which tool the hotel uses to achieve the best sales results. We learned that the hotel achieves the best sales results with its presence on social networks, followed by e-mail marketing.

Question 8: Social networks are becoming more and more popular, so no company should neglect them. On which social networks do you present yourself?

The selected hotel appears most actively on Facebook and Instagram, they also try to be active on TikTok, as all trends recommend using this network, and they themselves noticed the great advantages of the mentioned social network. The hotel is not present on the LinkedIn network, which is intended for B2B sales and building business relationships.

Question 9: How often do you post content on social media?

They post twice a week on social networks, try to create stories every day, and are also active in the field of sponsored posts (advertising).

Question 10: Is the goal of your posts aimed at sales activities or more at marketing activities?

According to Mr. Topolšek, their publications are mostly sales-oriented. On partner sites, such as travel agencies, influencers, etc., they want to build on the brand, so the posts there are more marketing oriented.

Question 11: What role does the website play in your company, what is its main purpose?

We were also interested in what role the website plays for the hotel. The sales manager explained to us that the website plays an important role in the hotel. Its main purpose is to serve as a sales tool and support digital activities, for the purpose of creating landing pages. On it, we can find a reservation system, with which the guest can quickly and easily make a reservation and quickly obtain important information, which ultimately convinces him to make a reservation. They edit the website themselves.

Question 12: How often do you edit the website or update the information on it for sales purposes?

For sales purposes, the chosen hotel updates its website at least once a month. This is usually at the end or beginning of the month, as various campaigns expire at that time and need to be replaced and updated. In addition, they also create various landing pages on the fly, add current offers in the form of promotions and publish what is happening in the hotel, which often plays a key role in booking. We learned that they are just designing a new website that will be more transparent, will contain more video content and less text, and above all they want to use it to optimize online booking and thus increase the percentage of online sales.

Hypothesis testing

Through the analysis of qualitative research in the form of an interview with the marketing manager in the selected hotel, we obtained data to verify the set hypotheses.

H1: "Of all the digital tools used by the chosen hotel, they achieve the best sales results with e-mail marketing."

We tested the hypothesis with the seventh question of the interview. We learned that social media marketing and e-mail marketing are among the best tools for achieving sales results in the chosen hotel. However, they end up getting the best sales results from social media marketing. Here we are talking about organic social media posts and paid ads that appear on social networks.

Based on the findings, we reject hypothesis H1, as the hotel achieves the best sales results through marketing on social networks.

H2: "The activities of the selected hotel on social networks are focused more on sales activities - on selling its services online than on marketing activities - on strengthening the brand."

In order to verify this hypothesis, we asked the sales manager about this topic in an interview, how they have a defined strategy regarding the content of announcements in the selected hotel. We found that the hotel's announcements on its social networks are aimed more at sales activities, by trying to direct the announcements on partner pages more at marketing activities.

Hypothesis H2 can be confirmed and we can say with certainty that the activities of the chosen hotel on social networks are focused more on sales activities or on selling its services online.

Recommendations and suggestions for the use of digital marketing tools for the selected hotel

Based on the results of the research, we have prepared some suggestions for the selected hotel, with which they can improve their online sales. As we learned from the qualitative research, the hotel uses different digital tools and each one is used for a different purpose. The website is a powerful digital marketing tool and provides sales support. After going through the pages, we noticed that certain information, which may be important for the reservation, is too hidden or it is necessary to search for it. Therefore, we would advise the selected hotel to, as already mentioned, update the website and make it more transparent. As the sales manager already said in the interview, they plan to update the website, but, as they have already noticed, they would also recommend that they include more attractive photos

and especially video content on the website. Even video marketing itself is insufficiently used by the selected hotel. The hotel offers excellent medical packages that serve preventive treatment, video marketing could be used to promote these packages and present what they all include. The doctor who is at the hotel could present some of the advantages of the package. You could also choose a guest to follow throughout their stay, and they would make a statement describing the package with their own words.

The selected hotel diligently uses paid ads on Google, both search and display, with which they achieve good results. However, we advise the hotel to start using SEO optimization, so they will position themselves better online and in organic search, and as a result, they will also reach more potential customers.

The hotel singled out social networks as the most important digital tool for sales activities. The selected hotel uses all social networks important for tourism, the most popular being Facebook and Instagram. We would recommend that the hotel start using LinkedIn, which is intended for sales to business users. We believe that with a good strategy, business tourism could be perfectly promoted, from the organization of congresses, conferences and "teambuildings". It would be the perfect product for this social network.

The hotel presents itself very well online and also makes good use of selected digital marketing tools, but there are still areas that can be improved and achieve even better results in the field of online sales.

CONCLUSION

In the last eight years of presence in the tourism industry, more precisely in the hotel industry, the importance of digital marketing has become more noticeable every year, in general we have noticed an increase in social networks and tourist offers on them. With this research, we confirmed this and proved the importance of digital marketing in the field of tourism. Through the entire research, we realized that digital marketing is a very complex tool that requires a lot of analysis, verification and creation, in short, it requires a lot of invested time. However, if we know how to use it correctly and take advantage of its advantages, it can be a very effective tool that can bring us excellent sales and marketing results. As we find ourselves in times where we want to digitize and simplify everything, we are sure that digital marketing will only become an even stronger and bigger tool in the world of sales and marketing.

Through the entire article, we learned about all the tools, their operation and purposes of use. We found that sometimes the theory describes something, but in practice things turn out to be completely different. It's important for each company to test what works best for them, which tools deliver the best results, and which tool is best suited for a specific application.

We also faced many limitations in the research. One of the limitations was that the chosen topic is very broad, so we had to write this article very thoughtfully and planned. A small sample can also be considered as a limitation. Since we included only one interview in the research, we cannot generalize the research.

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