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Social Media's Impact on Customer Satisfaction in the Hospitality Industry

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Abstract

The purpose of this research article will be to identify in what ways the hospitality industry is impacted by reviews on social media and online platforms – negatively or positively. This article will break down social media's influence on customer engagement, define reviews, rankings, customer satisfaction and also take into account customer loyalty programs and how all of these impact the hospitality industry. In most cases, social media has a positive impact on the hospitality industry.

Introduction

There are multiple ways to rate your stay or recommend your meal to others (Berezina, Bilgihan, Cobanoglu & Okumus, 2015). In today's technologically focused society, people can take to social media and online platforms to rate an experience faster than they check out of a hotel, or before the bill drops on the table (Berezina et al., 2015). Social media plays the largest roll in providing instant feedback across multiple platforms in the hospitality industry (Israeli, Lee & Karpinski, 2017). There are platforms that are best to post food reviews, as there are for hotel experiences (Liu, Lee & Hung, 2017). It can be argued that voicing a negative experience is most often the case rather than posting an enjoyable experience (Liu et al., 2017).

When researching where to go on vacation, or where to go to eat, you tend to gravitate towards destinations that have positive, or high customer reviews based on word of mouth from friends, family or other outlets (Liu et al., 2017). What makes the Facebook rating of four stars out of five, or the most recent Travelocity reviews on page one of five hundred confirm that you are making the correct choice in where to stay, visit or dine? Do social media and online platforms have a positive or negative impact on customer satisfaction in the hospitality industry?

This research question will be the basis of this research study and will discuss whether or not

social media has an impact on customer satisfaction in the hospitality industry and in what way -

negatively or positively.

Literature Review

  Social Media Influence

  There are five motivational drivers for consumers to interact with organizations: word of

mouth, recommendations, helping other customers, blogging and writing reviews (Sahoo, Goud,

Vadlakonda & Vardhan, 2018). Sahoo et al. (2018) and Pinto (2015) state the key element to

customer engagement is knowledge exchange, therefore information and communication

technologies (e.g. the internet, online platforms, etc.) provide opportunities to connect customers

with organizations. These interactions also increase the likelihood for customers and potential

customers to purchase, dine or stay at a venue (Mhlanga & Tichaawa, 2017). This can lead to

future, more detailed studies examining consumer motivational drivers and purchasing

behaviors. Torres (2014) dives deeper into this hypothesis in an attempt to improve the quality

of customer satisfaction through social media and stresses the importance of the influence and

how this relates to the hospitality industry. Torres (2014) proposes new ways for data to be

examined and how to implement change to encourage customer service.

  Sahoo et al. (2018) states that the influence of social media marketing on customer

engagement is qualitative by nature, therefor a questionnaire was created using a Likert scale

(strongly agree, strongly disagree, etc.) for their study. External validity was the chosen form of

validity for this study, as it pertained to emotions and customer service, not numbers (Sahoo et

al., 2018). The findings from this research study are able to be duplicated by other companies to

find out more about their rankings and customer service. This is what makes external validity so important in the attempt to answer this question – one does not need to reinvent the wheel, and one can use examples from others' research to perfect their own study, also known as transferability, which can be seen in the other research performed by Torres (2014) as an example.

This day and age consumers are not only using social media to learn more about products and services but are also using these outlets to engage with the companies they purchase from, as well as other consumers (Sahoo et al., 2018, p. 115). By identifying factors that influence consumer engagement across social media platforms, companies can create content that attracts social media users. Companies then need to answer the question: "what warrants a click on an ad or banner?" Sahoo et al. (2018) identified three objectives to help them in their research: 1 – identify what types of posts promote social engagement, 2 – examine the factors that influence the engagement and 3 – analyze the relationship between the social media marketing and customer engagement (Sahoo et al., 2018, p. 116). By answering these questions, companies will be able to modify their social media platforms and customer service platforms in order to create a closer relationship with consumers which can potentially lead to an increase in brand popularity, brand trust and sales.

The above objectives relate to the overall reliability concept Golafshani (2003) writes about based on the following: 1 – the measurement remains the same for the study, 2 – the stability of the measurement over time/consistency of the study, and 3 – the similarity of the measurements within a given time period (Golafshani, 2003, p.598). Because the results are consistent, this study is an accurate representation of the total population and can be reproduced under a similar methodology (Golafshani, 2003, p.598).

Reviews and Rankings

Social media has revolutionized the hospitality industry and the importance of reviews and rankings (Martin-Fuentes, 2019). A review can impact a retailer's image negatively or positively based on the author's opinion and experience (Berezina et al., 2015). No two experiences are the same, regardless of if you travel in a group or not (Martin-Fuentes, 2019).

Those in the hospitality industry implement different tools to assess and address customer satisfaction and behavioral intentions (Berezina et al., 2015). Those tools include surveys and links to websites where guests can write honest reviews highlighting certain aspects of their stay. Martin-Fuentes (2019) and Berezina et al. (2015) discuss the common categories that come up when studying and comparing satisfied customer reviews vs. negative customer reviews. When guests were inclined to participate in reviews, which is another challenge in itself, the common theme across positive reviews were intangible aspects of their trip, while unsatisfied guests highlighted tangible aspects (Martin-Fuentes et al.; 2019; Berezina et al., 2015).

Guests are given a number of ways to share their experiences, yet there is an ongoing unwillingness for guests to share their experiences regardless of how many times they are asked to share (Berezina et al., 2015). Failures in the services provided by a hotel, restaurant or other hospitality focused business are the first items to be mentioned in a review based on the findings Israeli et al. (2017) discovered when collecting data for one of their many studies on this subject. Based on Israeli et al.'s (2017) qualitative findings, one can expand on this topic by comparing those results to the findings from Brazytė, Weber & Schaffner (2017). Brazytė et al. (2017) focused not on the motivation for posting a negative review, but examined outsiders' reactions to reading negative reviews, and how this takes into account their potential booking or dining selections. Brazytė (2017) had the opposite view on guests shared experience. Brazytė (2017)

stated that 75% of all reviews are positive, not negative, like Berezina (2015) hypothesized. User generated reviews are the most common and relevant way for customers to communicate with the world their experience (Brazytė et al., 2017).

Berezina et al. (2015) polled 2,510 hotel guests in Sarasota, FL regarding their recent stay through TripAdvisor.com, using an online review. The goal of the research was to find out how many guests were satisfied or dissatisfied with their experience, and what caused them to vote that way. The findings discovered that many guests listed tangible and intangible aspects and noticed common categories in the positive and negative reviews (Berezina et al., 2015). Room size/amenities (e.g. – room was great vs. room was small) and employee/staff attitude (e.g. – staff was friendly vs. staff was rude) were the most popular answers to both positive and negative reviews.

Guests are drawn to a venue for different reasons (Sahoo et al., 2018). Some guests may be visiting relatives, while others may be on a business trip. The reason for someone taking a trip can also lead to their responses in surveys to be swayed in another direction. If you are traveling for business, you may have a different perspective on the services provided by a hotel over a couple experiencing the same venue on their honeymoon. Mindset is key to take into consideration when reviewing surveys in general. The couple in room 405 might not experience the business breakfast and may not pay attention to service that takes 15-20 minutes longer when they do not have set plans vs. a time crunch (Sahoo et al., 2018).

Other areas that surveys of this type could examine in more detail have to do with costs at the location being reviewed. By also taking into consideration amenities on site, and the various costs associated with that particular venue, and how they compare to other similar businesses, one can examine how this location compares to others around the globe. This can help identify

ways in which certain locations can improve on (Sahoo et al., 2018). Some locations may see

only a few room service requests on weekends, while others are flooded with orders. What

causes one location to get more orders than another? It may have to do with location and the

popularity of the venue, or cost, and the type of clientele the location attracts. These are other

factors to take into consideration when writing and sending out surveys (Sahoo et al., 2018).

One needs to take into account every aspect of the location and demographics (Sahoo et al.,

2018).

In many instances, surveys ask for responses without the opportunity to provide a reason

as to why the service was below or above their expectations. By providing the opportunity for

guests to go into more detail, this gives them a chance to list what could be done differently for

next time, giving the venue a change to enhance future guest experiences, which is what all in

the industry should hope for (Brazytė et al., 2017; Israeli et al., 2017; Martin-Fuentes, 2019).

Customer Loyalty Programs

Whether you are a guest at a hotel or a restaurant, visitors want to feel important.

Sanchez-Casado, Aartal-Tur & Tomaseti-Solano (2019) and Liu et al. (2017) stress the

importance of social media marketing and suggest ways in which this can improve overall guest

satisfaction. By companies developing customer loyalty programs, hospitality focused

businesses can develop a relationship with existing clients and potential clients by building a

brand people trust and want to spend time and money at (Liu et al., 2017). These services are

more commonly used with repeat customers, but outsiders are drawn in by seeing the benefits of

joining the program and sticking with one brand (Sanchez-Casado et al. (2019). Liu et al. (2017)

also discuss the added benefits of joining rewards programs, as these provide brand/customer

loyalty and also produce positive customer engagement.

Customer loyalty programs can increase a brand's reputation and can lead to a better, more desirable experience. Various hypotheses have been written to help solve this question and included the following details. Sanchez-Casado et al. (2019) state:

- Economic and social benefits have a positive effect on customers' satisfaction with loyalty programs.

- Satisfaction with loyalty programs is greater for experienced travelers over first-time travelers.

- Loyalty programs that consist of physical and structural benefits are most important to travelers and participants in the programs.

Methodology

The type of data that was reviewed and gathered in order to answer the above research question is primary data gathered from polls, surveys, other document revisions and case studies from the articles referenced in the initial literature review as well as from social media outlets. This data was collected by visiting various social media outlets and reviewing a set number of reviews and posts from each resource. By analyzing the reviews, one has a larger number of qualitative examples to pull from and that gives an overall idea of the customer service guests experience, and if social media has a positive or negative impact on it. Qualitative research is an ideal way to gather customer satisfaction feedback since it is based on emotional findings and provides a greater examination of what makes up a positive or negative experience.

Qualitative methodology was used to gather information in the various studies in this research article. This can be confirmed based on the descriptive findings in the research as well as in the way questions were asked in the study, which focused on physical and emotional

aspects of the stay, not numbers and values. By using survey research and gathering the guest

feedback using surveys, polls and questionnaires, the authors were able to create a variety of

open-ended questions that helped identify what drives guests to promote their stay by writing

positive reviews and recommending the place of business to friends and family.

The research methodology in the study of customer loyalty programs included the

following:

- A pretest of data gathered that tested three types of benefits of loyalty programs:

  economic, social and structural (Sanchez-Casado et al., 2019).

- A questionnaire to obtain more information from various social media platforms and

  competing venues.

- A non-probability sampling method was used to obtain the 203 responses. The

  researchers used the snowballing technique which asks the sample to recommend

  others that may fit the criteria (Trochim, 2016).

The findings from this study can be generalized, as this speaks to a global population, not

just the sampling model (Trochim, 2016). The same study could be performed around the globe,

using the gradient of similarity, and the research can be examined and compared, providing a

better idea of how awards programs can be implemented and modified so even the novice

travelers can experience first class service (Trochim, 2016). In addition, an analysis and

comparison of the snowballing technique in this article and other research articles referenced in

the literature review, will attempt to show the added value of this research sampling method in

the hospitality industry.

By looking for similarities in the reviews, and focusing on the tangible and intangible

factors, you can look for additional information related to guest experience and customer

satisfaction (e.g. – size of room and amenities, etc.) to add to the evidence provided. This

research will not only help answer the research question, but it will also provide you with

additional insight into the topic and give you other perspectives of how similar research has been

collected and see what others have concluded based on their research and attempts. Because all

of the research articles are peer reviewed, and the reviews posted on the various outlets are

confirmed to be written by guests, or actual individuals and not robots (artificial intelligence that

posts fake reviews), you can trust that the research is reliable and accurate. If interested, you can

also pull from different pages of the total number of reviews, to make sure you are pulling an

assortment, and not just the last one hundred reviews that are most recent. This would help give

you a range of data to look at and see the difference in customer service and satisfaction over the

years, as technology has increased.

Findings

Based on the above research, it can be determined that social media has a positive impact

on the hospitality industry. Social media has transformed the way hoteliers and all others across

the hospitality industry see their ranking across industry standards and can use these as

constructive criticisms to shape their organization into a best in class establishment. Guest

feedback is the most important way to improve and enhance your business.

Limitations

As discussed, ratings and reviews are personal. They reflect one's own experience, and

how they perceive the environment. Due to unforeseen circumstances, or the matter that causes

them to travel (e.g. – business vs. personal, canceled flight or snowstorm), one may have a terrible experience, while someone next door to them has a phenomenal time. The reason may not be discussed in a review or taken into consideration of the overall review or rating.

Implications

To dive deeper into the research topic of social media and the impact it has on customer satisfaction, one could examine demographics, and how they play a crucial role in voicing opinions in the modern hospitality industry. Younger, more experienced social media users, such as Generation Y & Z, can post easier than older, less experienced users. Millennials can more easily navigate apps and post their opinions, while older generations have less experience, or desire, in posting and writing reviews. Older generations, such as the Baby Boomer and Generation X category may also be less likely to post negatively, while younger generations are not concerned about the ramifications of a post or review.

Another area that could be of added value to research is the future of social media and how it relates to customer service and the hospitality industry. Guests have already seen an increase in response rate due to companies being "always on" in the current technologically advanced era, but what could the process look like 5 or 6 years from now? This could lead to better customer service and faster turnaround times when customers voice a complaint or sing the praise of an employee for a job well done. This theme could also lead to faster disciplinary action or rewarding of an employee. Social media has contributed to one hotel or restaurant being preferred over a competitor due to social media engagement and reviews. The question remains to be answered: what can my business do differently to attract business using social media?

Conclusion

From customer loyalty programs to reviews and rankings, customer satisfaction can be affected by many social media factors. In the research articles reviewed in the above sections, service quality, product quality, ratings and price influence customer satisfaction the most based on their findings in regard to social media (Liu et al., 2017; Mhlanga, 2017; Sahoo et al., 2018; Sanchez-Casado, 2019; Torres, 2014). In conclusion, social media positively impacts the hospitality industry. People may prefer to write a negative review in spite of their experience, but overall people look to the positive reviews to decide whether or not they choose a venue.

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