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Nigar Jabrayilova
Baku State University
master student
n_jabrailova95@mail.ru

BALANCING DIGITAL AND TRADITIONAL: MARKETING STRATEGIES IN THE HOTEL INDUSTRY

Abstract

The hotel industry relies heavily on effective marketing strategies for attracting and retaining customers in today's competitive business landscape. Technological advancements have transformed these strategies, with digital platforms, social media, and online travel agencies playing a critical role. The rise of digital marketing strategies has bolstered the industry's competitiveness and business performance. This paper discusses factors influencing the successful implementation of these strategies, such as market segmentation, available resources, the role of management, and customer-centric approaches. It also considers the impact of the COVID-19 pandemic on the industry and the importance of partnership with organizations like airlines and travel agencies. The paper concludes by asserting the need for a balanced use of digital and traditional marketing tools, with an emphasis on studying customer behavior, flexibility, and continuous analysis.

Keywords: *hotel industry, marketing strategies, digital platforms, social media, online travel agencies, market segmentation*

Nigar Cəbrayılova
Bakı Dövlət Universiteti
magistrant
n_jabrailova95@mail.ru

Rəqəmsal və ənənəvi marketing arasındaki balans: otel sənayesi üzrə marketinq strategiyaları

Xülasə

Hotel sənayesi müştəriləri cəlb etmək və saxlamaq üçün effektiv marketing strategiyalarına bugünkü rəqabətli iş ortamında çox güvənir. Texnoloji inkişaflar bu strategiyaları, rəqəmsal platformalar, sosial media və onlayn səyahət agentliklərinin kritik rol oynamasıyla transformasiya etdi. Rəqəmsal maketing strategiyalarının artması sənayenin rəqabət gücünü və iş performansını artırıb. Bu məqalə bu strategiyaların uğurlu tətbiq edilməsini təsirləndirən amilləri müzakirə edir, məsələn, bazarın segmentasiyası, mövcud resurslar, idarəetmənin rolu və müştəri-merkezli yanaşmalar. Həmçinin, COVID-19 pandemiyasının sənaye üzərindəki təsirini və havayolları kimi təşkilatlarla şərikliyin əhəmiyyətini nəzərə alır. Məqalə rəqəmsal və ənənəvi marketing vasitələrinin balanslı istifadəsini, müştəri davranışlarının öyrənilməsini, elastiklik və davamlı təhlil edilməsi ehtiyacını iddia edərək sona çatır.

Açar sözlər: *hotel sənayesi, marketinq strategiyaları, rəqəmsal platformalar, sosial media, onlayn səyahət agentlikləri, bazar seqmentasiyası*

Introduction

The hotel industry is witnessing a radical shift in the approach to marketing strategies as it grapples with the rapidly evolving business environment. Amid escalating competition and changing consumer preferences, hotels are required to develop dynamic marketing strategies that leverage both digital and traditional tools to attract and retain customers. This article provides an extensive analysis of how the modern hotel industry employs digital marketing techniques and

traditional methods to adapt to this high-tech era. It delves into the role of technology, market segmentation, positioning, and the impact of the COVID-19 pandemic on the industry. It also elucidates the importance of a customer-centric approach, the significance of partnerships, and the balance between digital and traditional marketing tools. The article draws on specific case studies to illustrate the concepts discussed and provide an insight into the innovative approaches employed by the industry leaders.

Tactics in Hotel Industry Marketing.

The modern hotel industry operates in a highly competitive and dynamic business environment, where effective marketing strategies play a vital role in attracting and retaining customers. However, various factors influence the successful implementation of marketing strategies in this sector. By understanding and effectively addressing these factors, hotels can enhance their marketing strategies, gain a competitive advantage, and attract and retain customers in today's dynamic hospitality landscape.

Rapid advancements in technology have transformed how hotels interact with customers and execute marketing strategies. The adoption of digital platforms, social media, and online travel agencies (OTAs) has become vital. Hotels must keep up with technological trends to leverage them effectively, ensuring their marketing strategies are adaptable, customer-centric, and utilize data-driven insights.

As per researchers Loncaric and Radetic's conclusion on the application of marketing research in firms, hotels that apply digital marketing strategies at a high level are distinguished by having better business performance. The widespread use of the Internet in daily life and the business world has led to its representation as an important tool in the marketing communication system. Therefore, to increase the competitiveness of companies providing services in the tourism market, they should have a website, advertise their products and services through social networking sites and mobile phone applications, and use email as a communication channel with business partners and customers. In fact, hotels use many existing information and communication technologies (ICT) in their operations. This factor allows hotels to provide any information and offer services to people they view as potential customers without space and time limitations. Thus, the application of innovative means of communication in hotels has risen to the level of today's demand. Research of current practices shows that hotels that use innovative methods and internet communication tools in the execution of business processes and organization of marketing strategies are more competitive and achieve higher profits (Loncaric, Radetic, 2015: 15-26).

Despite its widespread use in hotel practices, a unified concept of digital marketing strategy remains undefined. Some authors highlight the Internet's role in enhancing digital marketing's importance, while others view it from a broader perspective, connecting it with solutions provided by ICT. Authors Andric and Ruzic, who explored digital marketing activities in the tourism industry, believe that the essence of digital marketing is to deliver tourism industry products and services to customers, using the Internet as an advertising and sales channel in this process (Andrlic, Ruzic, 2010: 692-706).

Strauss and Frost define digital marketing as the use of electronic information and applications for evaluating products, services, and ideas to achieve individual and organizational goals (Straus, Frost, 2001).

The World Tourism Institute views digital marketing's primary goal as leveraging the Internet and other ICT tools to discover profitable business opportunities and enhance relationships in relevant markets (World Tourism Institution, European Travel Commisio, 2008).

Researchers often overlook information resources when analyzing digital marketing's role in the hotel industry, yet they are crucial in implementing any marketing strategy. With evolving consumer preferences due to increased connectivity and the desire for personalized experiences, marketing strategies need to be finely tuned to various target segments. Digital marketing extensively leverages the Internet, ICT, and information resources.

Hotels must pinpoint specific market segments to optimize marketing efforts. Market research and data analysis are crucial to identify the most relevant segments. Implementing a digital marketing strategy requires clearly defined goals, an appropriate structural division, and functional capabilities.

Implementing digital marketing in the tourism sector considers factors like personal skills, resources, corporate culture, organization structure and size, necessary costs, country's infrastructure, and the overall market situation (El-Gohary, 2012: 1256-1269).

Appropriate finances are vital for effective marketing strategies in hotels, covering advertising, promotions, market research, tech infrastructure, and talent acquisition. Limited funds can impede comprehensive marketing plans. The successful implementation of marketing strategies also requires a skilled workforce with a thorough understanding of the brand and marketing goals. Training programs can further enhance this.

Yet, a critical factor often overlooked is the manager's role in implementing the digital marketing strategy. The manager's attitude can decisively influence the outcomes. Even with resource constraints, a manager with a broad vision can find ways to achieve the goals, such as securing additional finances or hiring specialists. Hence, the most important factor for implementing a digital marketing strategy is the manager's intent and broad vision.

Research shows a positive trend in adopting digital marketing strategies in hotels over the past decade, leading to increased competitiveness. This finding is also supported by research on the Greek tourism industry, indicating that digital marketing boosts the income of hospitality businesses, enhancing social welfare (Pitoska, 2013: 335-344).

In today's digital age, a customer-centric approach and marketing strategies primarily leverage digital platforms. Customers, particularly in the hospitality industry, are receptive to technology and innovation, using it extensively to gather information and make decisions. They are eager to understand service levels and how hotel brands prioritize satisfaction using online resources.

Hotel firms must explore, select, and implement digital solutions promptly to maximize customer satisfaction and partner approval. Digital marketing tools provide convenience for customers and new opportunities for hotels, allowing customers to easily compare offers. Customers can freely search for information, compare services, and directly contact the hotel if necessary. This benefits both the hotel and the customer by helping hotels promote to identified segments and enabling customers to choose the appropriate hotel and service level (Starkov, 2019).

The global COVID-19 pandemic that began in 2019 has dramatically altered many aspects of life. Countries affected by COVID-19 implemented serious lockdown measures to control the spread of the virus. This led businesses and organizations worldwide to operate under these restrictions, disrupting organizations and creating complex challenges for their operations (Ciotti, Ciccozzi, Terrinoni, Jiang, Wang, Bernardini, 2020: 365-388).

The coronavirus (COVID-19) has significantly impacted the hospitality industry, with effects rippling into related sectors. For instance, restrictions on transportation led to decreased travel, resulting in a decline in the hospitality sector (Sorrells, 2020).

Segmentation, targeting, and positioning (STP) are essential marketing concepts for the hotel industry. Hotels segment their market based on factors like demographics, behavior, and location to understand customer needs and create tailored marketing strategies.

They must choose the most attractive segments to target based on size, growth potential, profitability, and alignment with the hotel's resources. This allows efficient allocation of marketing resources and customization of offerings to chosen segments.

Positioning involves differentiating the hotel from competitors, developing a unique value proposition that resonates with targeted segments.

A strategic STP approach enables hotels to refine their marketing strategies, develop targeted messages, create relevant offers, and establish a clear brand identity, giving them a competitive edge in the market.

Executing a customer-centric strategy in the hospitality industry is complex and requires establishing partnerships with various organizations like airlines, restaurant chains, and travel agencies for competitiveness and high returns.

Platforms like Airbnb, operating since 2008, showcase accommodations and services of various hospitality companies, earning a commission on each booking.

One challenge lies in providing potential customers with a digital experience to manage the hotel's digital marketing strategy. To address this, Airbnb employs systems like the "Airbnb Setup" to simplify customer interaction and provide excellent service from the first reservation (10).

Accor, a leading global hospitality company, has developed its loyalty program "Accor Live Limitless" to enhance benefits for customers, particularly in China. This program offers exclusive perks such as dedicated floors and breakfast areas for elite customers, an innovation in the Chinese market.

Program members can enjoy lifestyle-oriented stays at select Accor hotels in China and have the opportunity for status upgrades. Customers can also use the ALL WeChat Mini-Program for added convenience. Accor's chief executive officer in Greater China, Gary Rosen, stated the program aims to satisfy members with high-quality hospitality and encourage unlimited leisure and vacation time (11).

Effective marketing in the hotel industry involves both digital and traditional tools. While the internet and digital platforms offer new ways to reach customers, they don't replace internal systems. It's crucial for hotels to monitor their online reputation due to the significant influence of customer reviews on booking decisions.

Key principles of successful marketing in this industry include studying customer behavior, developing a long-term flexible policy, and analyzing results. Although similar to traditional marketing, these principles are adapted to the high-tech, innovative environment of today's hospitality sector.

While digital marketing strategies are essential given the wide use of digital platforms by customers, traditional marketing still retains its relevance and is used in a synthesized manner depending on target markets and effectiveness. Some traditional methods are even adapted into new forms for digital marketing use.

Conclusion

The paper concludes that effective marketing strategies, particularly the integration of digital platforms, are instrumental for success in the modern hotel industry. However, the implementation of these strategies requires a comprehensive understanding of market segments, adequate resources, a proactive management approach, and a keen focus on customer satisfaction. While digital marketing strategies have become paramount due to their wide reach and adaptability, traditional marketing tools remain relevant and should be judiciously used based on target markets and effectiveness. In light of the COVID-19 pandemic's unprecedented impact on the industry, businesses must show resilience and adaptability to sustain and grow. The hospitality industry's future hinges on its ability to blend innovation with tradition, prioritize customer needs, and form strategic partnerships with relevant organizations.

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