

## **INTERACTION OF HOTELS WITH SOCIAL NETWORKS: AN ANALYSIS OF THE FOUR STAR HOTELS IN MADRID REGION, SPAIN**

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Hotel prices have fallen and retailers have increased their fees because of the economic situation. Therefore, the net profits of rooms, which are sold through these channels, in many cases, are lower than the room prices.

Traditional sale channels, as well as, the retailers or tour operators, are producing less. Therefore, there is less profitability and the mid prices are lower. Even some multinational companies, such as BP, Repsol, France Telecom or Santander Bank, are signing global agreements with Internet sites like for example HRS.com to create intranets. Through these intranets, it is possible to accede to a wide range of hotels.

The biggest communication operators and channels are seen how they are losing audience. However, sites such as Facebook, Youtube and Twitter are registering millions of new people per year and millions of contents have been seen. This is consequence of the ICTs that have changed all the disciplines and areas of knowledge, mainly those related to the communication. In addition, nowadays, these are considered a worldwide phenomenon that many people try to explain.

Due to interest of the topic, the study of Information and Communication Technologies in the field of tourism has been and is nowadays object of research. There are many web studies and their evolutions in several activity sectors about the electronic trade and the influence of social networks in the 21<sup>st</sup> century consumer.

This research project studies how four stars hotels of Madrid interact with social media. The quick evolution of Information and Communication Technologies (it will be called ICTs) is shown in other economic sectors, but there is not so much information about the hotel businesses.

The study is focused in Madrid, which is one of the most important tourism centres of the country. It has a hotel business volume of more than €8000 million. The accommodation industry at this Region, and mainly, the four stars hotels located at Madrid are

the centre of the investigation: these hotels are the principal in the region, even more than the five and three stars hotels. The aim is to know how four stars hotels in Madrid have been adapted to the revolutionary changes of social networks.

This article goes through the literature of social networks and tourism. It also enables us to make a work assumptions, it brings to light not only the interest of social networks towards several tourism sectors, but also, how these online channels have modified the customer's interactions.

The hotel field of study is going to analyse three important aspects concerning to the relationship between the business accommodation managers and the social networks by virtue of three benefits related to: (i) the communication with his current and potential customers; (ii) the sales and (iii) the network reputation.

Once it has been shown the significance of new digital platforms in the tourism activity and it has been highlighted the variety of uses of these social networks for the hotel sector, such as, new communication, sale channels and a way to obtain a certain online reputation, it is needed to determine the current situation of the hotels of the Region of Madrid and mainly, the four stars hotels. In addition, it is important to analyse if the hotels that belong to the same chain have different situations, and also, if there are independent hotels.

For this reason, a questionnaire is used and distributed as a field work. This questionnaire enables us to verify the following hypothesis *H1. The membership of four-star hotels at the Region of Madrid to a hotel chain is related with the level assignment of importance given to the use of social networks.*

It has been carried out a quantitative study in order to explore about the knowledge and participation of four stars hotels in Madrid in social media and social networks. The hotel managers, have answered a survey. It has been used the SPSS program to analyse the results and to obtain conclusions.

Through this survey, it has been tried to know the hotel industry opinion about social media. Another purpose of this survey is to explore if the independent hotels are not optimizing the possible benefits of social media, as many management channels or groups do.

According to the information that has been provided by the AEHM Business Hotel Managers of Madrid, Madrid has registered 137 four stars hotels. The survey has been sent to these hotels and 76.64% of the four stars hotels associated to the AEHM have answered it. Only the 26.27 % of the four stars hotels represented by the AEHM are independent or are not linked to any hotel group or agent. 41.66% of these hotels appear in the study. For chain hotels or the hotels that are represented by any management group, the AEHM has associated 101 hotels. 89% of them are represented in the study.

With regard to this study, the first conclusion of the work is related to the fact that nowadays is undeniable: the importance of new digital platforms for the tourism activity, mainly in the hotel sector, as new communication, sale channels and as a way to manage the online reputation. As second conclusion, it clarifies that the hotels that take part in the study, have not been adapted to the social networks and many of them only use it for communication purposes. In addition, there are differences between the use of social networks by hotels owned by hotel chains and the use by interdependent hotels. The last hotels are vulnerable to the negative effects of social platforms and are not able to use it for obtaining benefits.

According to the results, the hotels managed by chains use more social networks as sale channels and as source of direct incomes. Likewise, the hotels that belong to a chain carry out studies and measure the results of social media actions. This fact shows that social networks are part of the general hotel business strategy. The results make us to accept the H1.

The practical part of the study seems to suggest that interdependent four stars hotel of Madrid region should invest to turn the web into 2.0. By this way, they could integrate new social platforms. Likewise, it is needed qualified staff to monitor social platforms actions, to control the clients' communication, to answer the possible critics or comments in order to improve the online reputation and to make a bet for social platforms, as a new sale channel.

The next research point should explain how hotels are using social networks and if they are obtaining the expected results. It is recommendable to study other tourism business models, such as cottages, restaurants or apartments. By this way, we can have an overview and to provide pertinent solutions that help to make the sale of products or services more profitable.

