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Marketing and Commercial Activities Offered on Croatian Five-Star Hotel Web Sites

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Abstract

Tourism is the crucial industry for Croatian economy and this statement is supported by high growth rates of tourism income. One of the important factors for tourism are accommodation facilities, especially hotels. Due to the fact that we live in the information technologies era, the Internet became a new space for doing economic and business activities in all spheres, and especially important in tourism. Hotel Web sites become increasingly important, and this phenomenon will be analyzed in this paper. Using a data base containing data for the 30 five-star hotel Web sites, a survey was conducted on how much these new technologies are used in tourism industry in Croatia. Marketing and commercial activities offered on hotel Web sites have a significant impact on the hotel's commercial success. Characteristics of the five-star hotels hotel Web sites will be examined and compared through the basic groups of Web business activities. Also some recommendations for the successful hotel Web sites will be provided. Hotel Web site in the future will not be only a promotion channel, but also an active generator of the hotel business and development.

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Keywords: hotel Web sites; Croatian five-star hotels; Internet; hotel marketing; commercial activities; Web 2.0

1. Introduction

We live in the Internet era, and it represents not only an inexhaustible source of information but also a mean that gives us the opportunity to communicate with people from all around the world, to research information and do business. We can conclude that we live in the era of “Electronic Business” or “e-Business”. Electronic Business

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represents a way of doing business for today and for tomorrow. Electronic business (e-business) encompasses the electronic information exchange within the organization, as well as between the organization and all other subjects. New ways for doing business are developed through the innovative usage of information and communication and internet technologies. It helps companies to achieve the competitive advantage on the global market.

2. Literature overview

All figures should be numbered with Arabic numerals (1,2,3,...). Law and Hsu (2005) investigated customers' perceptions on the importance of hotel web sites dimensions and attributes [1]. Their paper aims to report an exploratory study that investigated the perceived importance of dimensions and attributes on hotel web sites from the perspective of travelers. Authors have made personal interviews with 304 travelers who had previously visited hotel web sites. Empirical results indicated that respondents viewed reservation information as the most important dimension, and room rates as the most important attribute. In addition, respondents viewed that the included dimensions and attributes were more important on web sites of up-scale hotels than on web sites of economy hotels.

Sahadev and Islam (2005) have made a study that aims to explore the propensity of adoption of ICT-based facilities by hotels in the hospitality sector [2]. The factors that influence a hotel's propensity to adopt ICTs are broadly divided into location-related and firm-related. The relative impact of the factors on the ICT adoption propensity was analyzed through a survey amongst 95 hotels from seven locations in Thailand. The findings give valuable insights for the marketers of ICTs who wish to gain entry into the hotel sector, and help them in better focusing their sales and marketing efforts.

Claver-Cortés et al (2008) have analyzed the performance in the Spanish hotel industry [3]. Several important managerial factors, such as training, information and communication technologies and information systems (ICT/IS), and environmental management, can be related to total quality management (TQM) in the hotel industry. The paper aims to analyze how TQM is associated with these factors and to verify whether more TQM-committed hotels achieve higher performance. The empirical data were collected from a sample of 301 three-to-five-star Spanish hotels. A cluster analysis was carried out to identify the different TQM commitment levels, after which a regression analysis tested the TQM-performance link. Managerial factors are significantly further developed in hotels with a stronger TQM commitment, which also have higher performances. TQM does not seem to influence all the performance variables measured.

Lin and Liao (2010) conducted a study seeking to focus on discovering consumer preferences regarding package tours to China, revealing differences among consumers' cognition related to these package tours, travel advertisements on web sites and search engine results, identifying the similarities among travel agency web sites and establishing a consumer cognitive structure to assist marketers in designing written content for display in search engine results [4]. The study adopted means-end chain theory as a theoretical basis and used the written content of tourism web sites displayed in search engine results as an empirical object. By comparing the contents of tourism web sites and the search engine results, the researchers could analyze and compare similarities and differences among web site content, search results and consumer cognition. Using the utility score of each attribute level to calculate the total utility can uncover the customers' preferred attribute level portfolio. The calculation results identified the most preferred tour package. The study found that the greater the variety of package tours to China provided by the web sites of a particular travel agent, the higher the possibility of that agent providing discount incentives. Furthermore, the text content of each web site provides more attribute information regarding package tours and less information about the consequences of travelling and value satisfaction.

DiPietro and Wang (2010) have discussed key issues for ICT applications in hospitality operations [5]. The purpose of their paper is to understand several key issues regarding technology strategies for the lodging industry, including the use and impact of technology, technology adoption and implementation, the role of organization technology environment in technology use, channel management strategies, as well as future trends of technology development. The authors have conducted qualitative interviews with hotel practitioners to gain knowledge in order to help explore issues and generate hypotheses for future research regarding information and communications technology (ICT) applications in the lodging industry. The research finds that technology will continue to impact guest service and customer relationship management in the lodging industry, and that companies vary in their implementation and use of the technology applications.

Lee and Morrison (2010) have made a comparative study of web site performance in South Korea and USA [6]. The purpose of their paper was to develop a set of criteria and an instrument for evaluating upscale hotel web sites and to test these in a comparative study of South Korean and the US upscale hotel web sites. The study measures and compares the overall effectiveness of upscale hotel web sites and checks the correlation between overall web site effectiveness and size of upscale hotels in South Korea and the US by using balanced scorecard (BSC) approach. Authors have selected 14 upscale hotels in both South Korea and the USA to evaluate and analyze upscale hotel web site performance. These hotels were selected through Expedia.com or Hotels.com and were rated as either four- to five-star. The results show that there is no significant difference in the overall effectiveness of the upscale hotel web sites in South Korea and the USA. However, the web sites of the Korean upscale hotels perform slightly better than their US counterparts. The main conclusion drawn is that most upscale hotels in both countries are not effectively using web sites from the marketing and upscale hotel perspectives.

Sirirak, Islam and Khang (2011) investigated the influence of information and communication technology (ICT) adoption on hotel performance in Thailand [7]. The elements for measuring the level of ICT adoption include: availability of ICT components, integration of ICT components, and intensity of ICT usage. Operational productivity and customer satisfaction were used for measuring hotel performance. A five-point Likert type scale was employed to measure customer satisfaction. Multiple regression analysis was utilized to assess the relationship between ICT adoption and hotel performance. The findings indicate that ICT adoption has a significant positive relationship with hotel performance. However, ICT adoption influences operational productivity more than customer satisfaction within three star hotels. ICT availability and ICT integration have a significant positive relationship only with operational productivity, while the intensity of ICT usage has a significant, positive relationship with both operational productivity and customer satisfaction.

Bulchand-Gidumal, Melián-González and López-Valcárcel (2011) analyzed whether offering free Wi-Fi improves hotels' online ratings, which are considered a measure of customer satisfaction [8]. The authors have conducted empirical research using the salient features of downloaded reviews (e.g. dates and types of travelers) of 26,439 hotels in 200 destinations. They found that offering free Wi-Fi helps hotels improve their ratings by up to 8 percent. Business centers and room service are irrelevant to customers. Allowing pets can improve ratings by up to 1 percent. Business hotels clients are systematically more dissatisfied than those who stay at non-business hotels.

Maier, T.A. (2012) proposed a new model which tests hotel web-effectiveness using the following variables: reach, content, consistency and price parity (RCO2P) [9]. For the current RCO2P study, the hotel sample was broken down into two segment groupings of five hotels: luxury; and upper-upscale. The ten full-service hotels were monitored over a 90-day period using room rate quotations and ordinal values across 14 dimensions based on three pre-selected arrival dates. Results of the RCO2P study indicated preferential display sequencing emerged as a significant factor in the reach category among all hotel properties reviewed. Only six of ten properties were measured as having achieved optimal web-effectiveness, while poor price-parity competency reflected the most situation-critical performance among sampled hotel properties.

Hsieh (2012) have analyzed the environmental management policies and practices of the top 50 hotel companies as disclosed on their corporate web sites [10]. The study employed content analysis to review the web sites of the top 50 hotel companies. Only 46 per cent of the selected hotel companies used web pages to post information related to environmental issues on their public web sites. The web pages of Wyndham, IHG, Accor, Whitbread, Hyatt, Rezidor, Sol Melia, TUI, and Scandic featured more revealing environmental information than that posted by other companies, which indicated their environmental commitment and engagement. The results of content analysis identified 12 major environmental focus areas in which the sample hotel companies engaged.

Ruiz-Molina, Gil-Saura and Šeric (2013) have conducted a comparative analysis in hotels with the special aspect on the use of ICT in established and emerging tourist destinations [11]. Information and communication technologies (ICT) may represent an important source of advantages for service companies. The purpose of the paper is to compare the ICT use in hotels situated in established (i.e. Spain) and emerging (i.e. Croatia) tourist destinations. Authors have performed a non-hierarchical cluster analysis. Clusters are internally validated by a K-Means cluster analysis and a discriminate analysis. Analysis of variance is applied and contingency tables between cluster membership and hotel characteristics are created. The results reveal significant differences in the degree of

ICT implementation, identifying “traditional” and “technified” hotels. However, these differences are better explained by the hotel category rather than by its location.

3. Research methodology

As the basis for conducting this research, use was made of the list of categorized hotels in the Republic of Croatia published on the Web site of the Ministry of the Tourism, (2013). Most of the data were collected from the Web sites of the hotels covered by this research, but a great deal of data was also found on the Web sites of major tourist agencies. All the data were collected in the period from 01 September 2013 (the beginning of the research) to 10 September 2013. There are used descriptive statistics methods, as well as inductive conclusions.

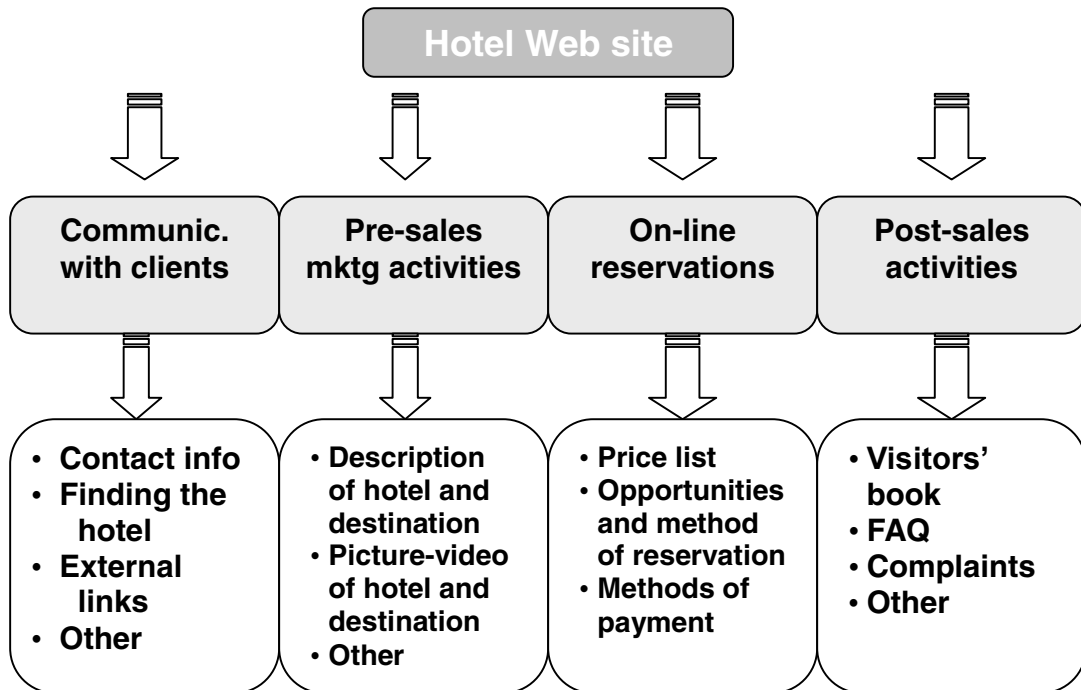


Fig. 1. Marketing and commercial activities on the Web [12].

Marketing and commercial activities offered on hotel Web sites have a significant impact on the hotel's commercial success. According to Pejić Bach et al. (2005) the basic groups of web business activities are: communication with clients, pre-sales marketing customer support, web sales, and post-sales client support.

The central part of the research analyses the Web sites with particular regard to those basic groups of Web business activities.

4. Research results

All Communication with customers includes contact data, finding the hotel and links to other Web sites, which forges a connection between the potential customers and the company management. It includes contact data: telephone number, mobile phone number, telefax number, e-mail address and address of five-star hotel, then information about finding the hotel (map, description and distances), some other elements like external links,

sitemap and special features and finally hotels' financial codes: OIB number and account number. Table 1 shows data on the share of hotels which have the stated forms of communication on their Web site.

Table 1. Communication with customers on Croatian five-star hotel Web sites in 2013.

Forms of communication with customers	Share of five star-hotels which have the stated element on their website
Contact data	
Name	100,00%
Telephone	100,00%
Telefax	93,33%
Mobile Phone	0,00%
E-mail	96,67%
Address	100,00%
Finding the hotel	
Map showing the position of the hotel	93,33%
Description of the route to the hotel	70,00%
Distances from the hotel	63,33%
Distances from the destination	76,67%
Other	
External links	100,00%
Sitemap	33,33%
Special features	86,67%
Company financial code	
OIB	33,33%
Account No	20,00%

All Croatian five-star hotel Web sites have clearly stated their name, telephone number and physical address. Telefax number can be finding on 93.33% of Croatian five-star hotel Web sites. E-mail address can be found on 96.67 of Croatian five-star hotel Web sites. Due to fact that most people have their own mobile phone it is devastating information that none of Croatian five-star hotel notice their mobile phone number so customers can save their costs if they calling it directly from their mobile phone. Only 33.33% of Croatian five-star hotels Web sites have stated their OIB number, and only 20% of them notice their account number. That should be improved, because, many of customers prefers payments with internet banking or payment with general transfer so information about hotel' account number should be very useful for them and it should be visible on homepage of Croatian five-star hotel Web sites.

Beside traditional forms of contact data, Croatian five-star hotel Web sites should offer new ways for Web communication like Skype profile, or WhatsUP profile for free mobile communication.

A sitemap is a list of pages of a web site accessible to crawlers or users. It is a Web page that lists the pages on a Web site, typically organized in hierarchical fashion. This helps visitors and search engine bots find pages on the Web site. Most of the Croatian five-star hotel Web sites have a sitemap, 33.33% of them.

In Table 2 pre-sales marketing activities are shown, including the description of the hotel and the destination, a picture of the hotel, the destination, and the rooms, video materials, special offers, news and opportunities to receive newsletters.

Table 2 shows data on the share of hotels which have selected pre-sales marketing activities on their Web site. All of the Croatian five-star hotels Web sites have a description of the hotel, while 86.67% contain a description of the destination where the hotel is located. This is an advantage, since hotels also help promote this destination. The old saying goes that a picture is worth a thousand words. People like pictures and no description can ever replace the picture. Websites with pictures are more attractive than textual ones. All of the Croatian five-star hotels Web sites have picture of the hotel, pictures of the different facilities offered as well as pictures of the rooms. Most hotels on their websites have photo albums, panoramic photos, 360° pictures, the ground plan of rooms, of congress halls, etc.

Table 2. Pre-sales marketing activities on Croatian five-star hotel Web sites in 2013.

Forms of pre-sales marketing activities	Share of five star-hotels which have the stated element on their website
Description of the hotel and destination	
Description of the hotel	100,00%
Description of the destination	86,67%
Hotel history	23,33%
Pictures and visual material	
Pictures of the hotel	100,00%
Pictures of the facilities	100,00%
Pictures of the rooms	100,00%
Video films	50,00%
Other	
Special offers	86,67%
News	73,33%
Newsletter	63,33%

Video content on the websites of Croatian hotels is scarce, included in 50.00% of the Web sites. In future, more video content should be placed on the Web sites because the development of technology will enable visitors to search for such contents.

Great thing is that almost 87.00% of Croatian five-star hotels Web sites have special offers, in this way hotels offer their “main products”, i.e. services. Around 73.00% of hotels publish news. Interesting news about events important for the hotel may also serve as excellent promotional material and may contribute to creating increased demand for the hotel. Newsletters are offered by 63.33% of hotels. This is a mail message that the company sends to interested customers on a regular basis. In the hotel industry, a newsletter contains a variety of information about the hotel, which represents direct and the most efficient form of promotion, creating a circle of loyal clients who year in year out return to the same hotel. With their offers, hotels may attract some clients who had not previously intended to visit that hotel.

Payment methods on Croatian five-star hotel Web sites includes: payment cards, general transfer, internet banking system or PayWay Gateway system. Table 3 shows the data on the share of Croatian five-star hotels Web sites which have the stated forms of payment methods on their Web site.

Table 3. On-line reservation and payment methods on Croatian five-star hotel Web sites in 2013.

Aspects of on-line reservation and payment methods	Share of five star-hotels which have the stated element on their website
Price list	
Price list in EUR	100,00%
Price list in HRK	90,00%
Price list in other currency	80,00%
Possibilities and methods of reservation	
Enquiry for reservation	100,00%
E-MAIL	36,67%
FORM	6,67%
CRS	100,00%
Payment methods	
Payment cards	100,00%
General transfer	0,00%
Internet banking system	100,00%
PayWay Gateway	96,67%

Visitors are especially interested in the prices of accommodation and services offered by the hotels. All price lists are in Euro (Table 3), while 90.00% of the Croatian five-star hotels have price lists in Kuna. The large number of price lists in Euro shows that most hotels are mostly interested in foreign tourists. Enquiry for hotel reservations is offered on all Croatian five-star hotel Web sites. Only 6.67% are made using forms and 36.67% using e-mails through which hotels receive basic information, following which, usually within 24 hours, they contact the interested visitors and confirm their reservation. All the Croatian five-star hotels have an on-line hotel reservation system where the visitor immediately sees if there are vacancies and where he can pay for his accommodation immediately.

All of the Croatian five-star hotel Web sites offer the opportunity for payment by card, None of them offers traditional way for payment with general transfer, but all of them receive payment with Internet banking system and about 96.67% of them have their own payment gateway. A payment gateway is an e-commerce application service provider service that authorizes payments for e-businesses. It is the equivalent of a physical point of sale terminal. They protect credit card details by encrypting sensitive information, such as credit card numbers, to ensure that information is passed securely between the customer and the merchant and also between merchant and the payment processor.

Post-sales activities on Croatian five-star hotel Web sites includes: Visitors' book, Frequently asked questions – FAQ, and possibility for reclamation. Table 4 shows the data on the share of Croatian five-star hotel Web sites which have the stated forms of promotion and post-sales activities on their Web site.

Table 4. Post-sales marketing activities on Croatian five-star hotel Web sites in 2013.

Forms of post-sales activities	Share of five star-hotels which have the stated element on their website
Visitors' book	36,67%
FAQ	20,00%
Reclamation	3,33%

Visitors' books have 36.67% of the Croatian five-star hotel Web sites. Frequently asked questions (FAQ) are listed questions and answers, all supposed to be commonly asked in context of hotel business. 20.00% of the Croatian five-star hotels Web sites have a FAQ which helps clients in conducting a business with them.

In post-service customer support reclamation is crucial activity and customers need to find all relevant information how to complain about hotel services. Web page with reclamation information offers only 3.33% of Croatian five-star hotel Web sites.

Web 2.0 includes new forms of social computing which bridge over cultural differences and have impact at development of the new Internet services. This kind of systems engages a huge number of users and it keeps developing from day to day.

Usage of Web 2.0 and mobile technologies on Croatian five-star hotel Web sites includes: RSS, Facebook profile, Twitter profile and other Web 2.0 tools. They also contain special mobile applications for Croatian five-star hotels usage. Table 5 shows the data on the share of Croatian five-star hotel Web sites which have the stated forms of usage of Web 2.0 and mobile technologies on their Web site.

Table 5. Usage of Web 2.0 and mobile technologies on Croatian five-star hotel Web sites in 2013.

Forms of Web 2.0 and mobile technologies usage	Share of five star-hotels which have the stated element on their website
Web 2.0 tools	
RSS	6,67%
Facebook	80,00%
Twitter	70,00%
Other Web 2.0 tools	76,67%
Mobile applications usage	
Mobile applications	20,00%

RSS (Really Simple Syndication) is a family of web feed formats used to publish frequently updated works—such as blog entries, news headlines, audio, and video—in a standardized format. Only 6.67% of the Croatian five-star hotel Web sites use RSS. Facebook is a social networking service and website launched in February 2004 and has more than 900 million active users. This kind of Web site develop a social relationships based on the Web 2.0 Internet technology, maintaining existing social relations. Surprisingly, 80.00% of the Croatian five-star hotels Web sites use Facebook profile for additional promotion. 70% of the Croatian five-star hotel Web sites use Twitter, an online social networking service and micro blogging service that enables its users to send and read text-based posts of up to 140 characters, known as "tweets". Other very good indicator are other Web 2.0 tools, 76.67% of the Croatian five-star hotel Web sites use them (Table 5).

Another discomfoting statistic is the usage of mobile applications. Mobile applications are software applications, usually designed to run on smart phones and tablet computers. They are available through application distribution platforms, which are typically operated by the owner of the mobile operating system, such as the Apple App Store, Google Play, Windows Phone Marketplace and BlackBerry App World. Mobile applications are downloaded from the platform to a target device such as an iPhone, BlackBerry, Android phone or Windows Phone 7. Croatian five-star hotel should offer free of charge mobile applications with their offers. Only 20.00% of the Croatian five-star hotels have their own mobile application which clients could use directly on their mobile phones and make reservations more easily and comfortable.

5. Conclusion and recommendations

The conducted research has analyzed the Croatian five-star hotel Web sites in order to establish the extent to which e-business is applied in this segment of tourism in Croatia. For this purpose, the analysis of Web sites of such hotels has been done. In this paper 30 Croatian five-star hotel Web sites were analyzed. All results were represented through the model, containing five main parts: (1) Communication with customers on hotel Web sites, (2) Pre-sales marketing activities, (3) On-line reservation and payment methods, (4) Post-sales marketing activities and (5) Usage of Web 2.0 technologies and mobile technologies on Croatian five-star hotel Web sites.

The analysis showed that a great deficiency is the lack of opportunity for mobile applications, since only 20.00% of the Croatian five-star hotel Web sites have their own mobile application which could help visitors to immediately see if there are vacancies and weather the accommodation can be reserved and paid immediately. Future analyses should be done from the perspective of customers. It should investigate the relationship between marketing and commercial activities and main hotel strategies and activities.

The main idea is to create a central hotel Web site that will pool available information, serve as promotion service and serve as active generator of hotel business. This Web site will enable visitors to find in one place information about hotel, accommodation facilities, other services about the tourist industry in the region and also information about cultural and historical heritage. This kind of Web site should present hotel services and attract tourist to visit the hotel.

In the future, hotel Web sites will have a growing importance in reaching a hotel's business goal. It is up to the hotel management to recognize the importance of the existence of the Web site, as well as the need for the regular maintenance, the improvement of the hotel Web site, and adaptation to the new trends, especially inclusion of Web 2.0 technologies. The crucial role in accomplishing this goal would have design and efficiency analysis of the Web site. Hotel Web site and mobile applications will not be only a promotion channel, but also an active generator of the hotel business and development.

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