# ROMANIAN HOTELS IN THE DIGITAL MARKETING PRESENT

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**ABSTRACT.** The current marketing trends and the well-known smart communication devices (smartphone, tablet, laptop, etc.) used on a daily basis by more and more people worldwide and by most of the travel industry customers, are here to stay in the travel and hotel industries and far from becoming obsolete. By ignoring them or by remaining in denial about their popularity and the changes they bring, hoteliers will only end up facing the disastrous consequences of their ignorance.

Most of the Romanian hotels are not even in the stage of acknowledging the present technological context, and few are reacting and adapting their marketing strategies, ultimately becoming internationally or locally awarded business models. Nowadays, instant bookings are more difficult to obtain, as customers naturally conduct online individual thorough researches, while trusting peer reviews and social media. Therefore, the question that arises is: *What is the present situation of the Romanian hotels in the digital marketing reality and what can be done to convert it from a disruptive change to a beneficial one?* The present paper aims at identifying the main issues Romanian hotels face currently related to digital marketing media. A special focus regards the international trends and how Romanian hotels react to them.

**Key Words:** hotels, online, technology, Romania, trends.

**JEL Classification:** L83

## 1. Introduction and Review of Literature

Digitalization is today omnipresent. Consequently, hospitality and tourism businesses are not excused from acknowledging the changes it determines at the level of everyday business life.

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According to Deloitte's professionals reveal that: "Whilst the customer has always been king, never before have customers wielded so much power. Organizations today operate in increasingly competitive and international marketplaces, where technology has given both customers and competing suppliers more choice and more access to each other than ever before, and has transformed the way in which customers purchase and consume products. As competition makes new customers harder to find and existing customers harder to keep and satisfy, organizations need a more targeted and continual focus on managing and developing their customer relationships." [Deloitte, 2012]. With the increasing use of digital media by consumers, more companies implement digital marketing strategies trying to reach their target markets. By the end of 2010, the number of worldwide Internet users was expected to exceed 2 billion; moreover, this huge information traffic is estimated to double every 1 to 1.5 years [Take Smith, 2011]. Obviously, in this context, according to Deloitte [2012], technology must be: *easy*, *mobile* and *social*. Still, the ability to quickly connect, communicate and collaborate seems to be limited for many businesses, tourism and hospitality ones included. Only few international hotel chains act like they are aware of such changes and aim at transforming them into fruitful business opportunities.

The revenues obtained in the hotel industry, as well as the ones gained in the hospitality industry, are closely linked to the concepts of loyalty and being up-to-date with the latest digital trends. Technology is most of the times disruptive, and it can be often intimidating to the businesses in any field. On the other hand, the changes, innovations and upgrades it generates, should be embraced as they drive to attracting and retaining younger generations and clients who have a high adoption rate for new technologies and who use them on a daily basis and will continue to do so.

Having in mind the definition of *digital marketing* provided by Technopedia.com [www.technopedia.com]: digital marketing is a broad term that refers to various and different promotional techniques, targeted, measurable and interactive, deployed to reach and engage customers via digital technologies, the analysis will proceed. Only few academic studies have until now addressed digital marketing in the context of the Millennials' behavior; their number decreases even more when it comes to connecting new-marketing strategies to their tourism-related behavior. Concerning the Romanian market there have not yet been identified any recent and relevant studies addressing this issue. Thus, the present paper aims at carrying out an analysis in this respect, and at providing a framework for further and deeper researches.

## The International Background

First of all, for a deeper understanding of the subject it is essential to define the segment of tourists who quickly adopt new communication technologies and who use them on a daily basis. It looks like the global business advisors are trend setters and seem to be more oriented towards providing clarifications in this field.

The power of social media was [strongly] demonstrated in July 2009, by the campaign initiated by the Canadian musician Dave Caroll, campaign attacking United airlines, which included a YouTube video, *United Breaks Guitar*. The video has been viewed for over seven million times. [Deloitte, 2014] This video presents the unpleasant experience the musician had while traveling with United, flight during which his guitar was broken due to careless transportation and even though he immediately complained of the situation, the employees treated him with indifference. "This extreme example of a company not meeting the customer's expected level of service should act as a warning for the industry." [Deloitte, 2014] The warning is especially significant, as technological changes have also determined modifications of the consumers' behaviors.

In their latest reports, three of the Big-Four (Ernst & Young, PricewaterhouseCoopers and Deloitte) have addressed the connection between the Internet and hospitality regarding the impact and projections for the coming years. They all agree upon the main features that characterize today's most technologically connected segment.

The worldwide leader in hospitality practice is Ernst & Young [Ernst & Young Hospitality Services Group]; this global business consultant addresses the generation born between 1980 and 2000 as the "Millennials". This population segment is: self-assured, optimistic, globally connected and curious. Its members already account for around one-third of all business travel expenses [Ernst & Young, 2014]. Moreover, "in the next 5 to 10 years, as Millennials enter their peak earning years, this generation will provide the majority of spending for travel and leisure" [Ernst & Young, 2014]. Millennials in the US grew up during a time characterized by rapid technological advancement which influenced their views on tourism [Ernst & Young, 2014]. As identified by Ernst & Young, based on the organization's researches [Ernst & Young, 2014], some of the most important characteristics of a Millennial are the following ones:

- *persistent auto-biographer:* many Millennials document their life experiences through social media, primarily focusing on funny, unique, inspiring or artistic content in order to attract followers and stir up responses;

- *undercover critic:* due to websites and mobile device applications such as TripAdvisor and Yelp, hotels are under more scrutiny than ever to deliver their best service 24/7; when faced with an issue during their stay, Millennials are less likely to complain in person and more likely to post critical feedback online; in order to capitalize on such real-time reactions, major hotel companies need to shift their customer care focus to online media so they can express appreciation, respond to complaints, offer ways to help the customer and mitigate damage to their reputation;
- *social being:* although Millennials place less importance on face-to-face contact than prior generations, they have a strong desire to be actively social, including via telecommunication and social media;
- *smart spender:* with access to more information – but tighter wallets – Millennials are pickier about consuming and spending; in order to address the smart spender, hotels need to become smart operators and to invest their funds into places that will attract the customer.

PricewaterhouseCoopers [2014] endorses Ernst & Young and adds that the use of smartphones and tablets for hotel reservations and reviews is about to overtake the "traditional" way of web-based booking. Moreover, this segment [PricewaterhouseCoopers, 2014] has a strong voice through social media and has more confidence in it than it has in advertising: "online reviews are very influential, especially with Millennials. Encourage Millennials to write online reviews by giving them a discount or a cupon as an incentive. This generation responds well to rewards. A 'freebie' may be a small price to pay in return for a positive review that is read by numerous Internet shoppers". [Taken Smith, 2011]

Further, Deloitte [2014] agrees that the social media frenzy has taken the world by storm in the last few years and reports that by 2015 this will become truly integrated in the travel and hospitality decision-making process, representing both threats and opportunities: "the transparency of social media can highlight any inconsistencies between the brand pledge and its execution across geographic boundaries. Websites such as TripAdvisor are often the new customers' first point of call. Whilst this represents a real challenge for brand owners, it also offers unparalleled opportunities for consumer feedback and opens new channels of communication between the brand and its customers." Also, the same specialists [Deloitte, 2014] highlight the importance of embracing the influences of social media and of not trying to resist them by engaging consumers in a dialogue that, eventually:

- *builds* awareness and community,
- *increases* web traffic and search rankings, and
- *draws in* potential new guests.

Today, when there are more than 1.5 billion people around the globe with Internet access, when their number is forecasted to increase by around 50 % until 2015, "operators need to embrace the world online and ensure they deliver their brand through multiple (and ever-changing) channels" [Deloitte, 2014]. Consequently, depending solely on Booking.com and/or on TripAdvisor or on any other online reservation platform for reservations can prove to be a dangerous approach adopted by hoteliers.

The advent of online booking intermediaries has revolutionized the hotel industry. Companies like Expedia, Hotels.com, Hotwire or Booking.com are essential to the success of any hotel because they draw in a lot of the much desired clientele. At a glance, the arrangement between the hotels, customers and intermediaries works quite well. The customer gets to buy a hotel room at a cheaper rate compared to the situation if they booked directly with the hotel, the intermediary gets to take a certain percentage off the bill, while the hotel gets a new way to attract more clients and, consequently, to increase their business. [Unknown author, 9.9.2011]

In this respect, "studies show that over 50 % of all hotel nights booked in Europe are booked through Booking.com. This level of market consolidation has been a bonanza for independent hotels. Without any brand recognition, Booking.com has become the ideal digital marketplace to promote and sell their rooms to guests from all over the world." [Guestcentric, 12.12.2012] Moreover, Booking.com is obsessed with providing the best possible prices to consumers, having the highest customer satisfaction rate of independent travel websites, mainly due to pricing competitiveness [Guestcentric, 12.12.2012].

According to the same analysis [Guestcentric, 12.12.2012], hotels have little bargaining power due to facts such as:

- Booking.com's flat commission model has been replaced by one of bidding for positions on the first page of a destination; it is not infrequent that hotels pay over 20 % in commission to be on the first page of the recommended properties in their city and/or area.
- Booking.com recently started taking one-sided decisions on how their system operates and forcing hotels to adapt;
- Booking.com recently reserved the right to automatically resell a room that one of its customers has canceled;
- guaranteeing and securing rooms for a better position on Booking.com can be a tricky issue when the hotel is fully booked by partner travel agencies but it is consistent with the hotels' policies concerning overbooking;
- if Booking.com were to raise its commission margins there is little that hotels can do about it.

It is important to have a multi-channel digital marketing strategy that ensures hotels' digital presence. Achieving such an online presence would include, among other factors [Guestcentric, 12.12.2012]:

- great looking websites;
- multi-channel reservations;
- optimization for mobile devices;
- collecting guest information;
- presence on social platforms.

Obviously, on one hand, hotels need to have a multi-channel digital marketing strategy, in order to avoid any kind of dependence upon any service for their online revenue, and so that they are sought out by potential clients no matter what search engine they use when conducting the search. [Guestcentric, 12.12.2012]

On the other hand, "tools such as Facebook, TripAdvisor and Twitter play an increasingly important part in the traveler's pre-departure research. As many as one in five travelers are now using these sites prior to [their] departure, while up to one in ten travelers are actually contributing to the sites." [Deloitte, 2014] Even a considerable number of travel agents also rely on information provided by TripAdvisor and Booking.com reviews when they make recommendations regarding accommodation facilities.
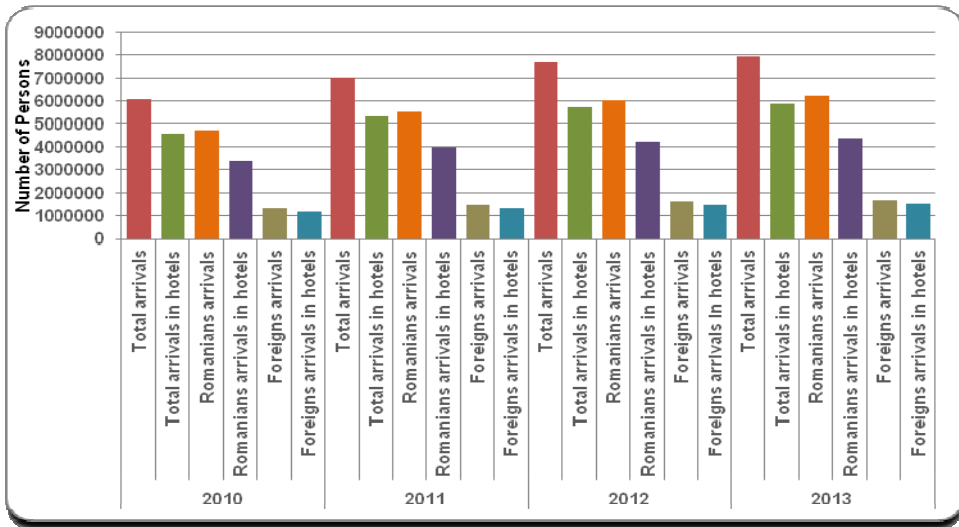
Despite the fact that this segment is expected to grow and to become the majority of the population only in the coming five to ten years, it is essential for hotel managers and/or owners to discover and understand this group's perceptions and expectations. Some of the key approaches [Ernst & Young, 2014] to capture Millennials are to:

- "connect with a purpose;
- realize the importance of experience;
- adopt an adaptive cross-industry perspective; and
- integrate new technologies and enhance social presence."

All of the above-mentioned aspects regarding digital media are perfectly valid for the case of the Romanian hotels, too but they are only beginning to be known and shyly applied. It is of high importance for hoteliers (all over the world and for the Romanian ones, likewise) to understand that "the increasing use of online social media will shine a spotlight on how successfully and how consistently operators fulfill their brand promise. Proactive operators will benefit from this communication revolution; those slower to adapt may see their brands pilloried in the full glare of the online public area." [Deloitte, 2014]

## Romania – An Overview

Indeed, the above reports regard hospitality worldwide but one has to take into consideration that according to the latest data provided by NIS (National Institute for Statistics, Romania), in the last four years the number of tourist arrivals has increased each year, both for Romanian and foreign tourists. Obviously, the number of Romanian and foreign tourist arrivals in hotels has increased. Moreover, the majority of tourists prefer to be accommodated in hotels, regardless of the type of tourists.
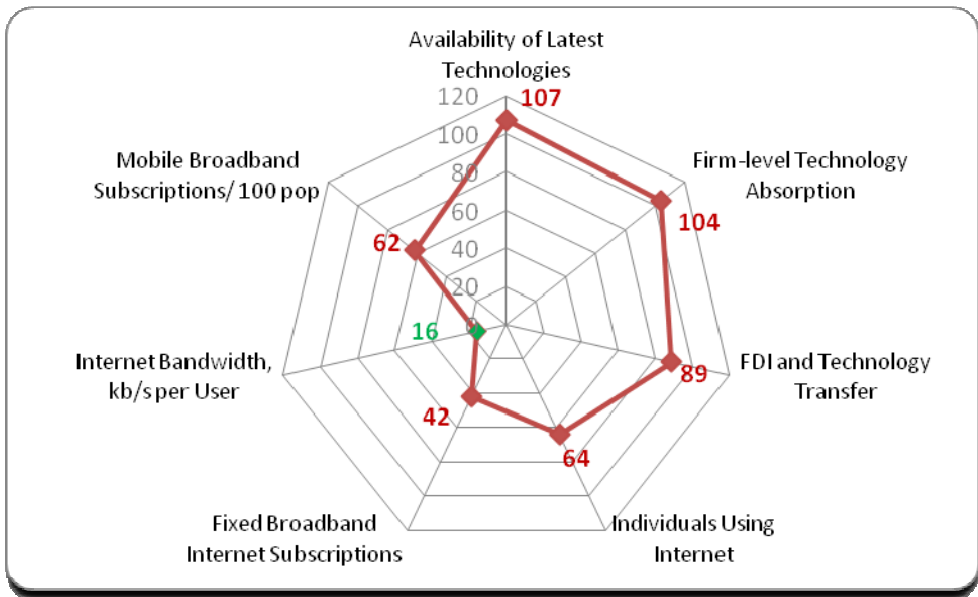


**Graph Nº 1.** Arrivals in Romania and in Hotels by Types of Tourists (2010-2013)
*Source:* National Institute for Statistics (NIS), *Annual Yearbooks* 2010-2013, Bucharest.

Total foreign arrivals in Romania and in hotels represent around one-fourth (Chart Nº 1). These numbers and percentages are not to be ignored considering the fact that foreign tourists have substantially higher financial resources compared to Romanian tourists. Hotels also account for the largest accommodation capacity. Thus, hotels need to take action in order to attract foreign tourists, and, of course, more of the Millennials, who, according to the latest national branding strategy [*Explore the Carpathian Garden*], constitute an important part of the tourists targeted by Romania: spontaneous tourists, eager to discover new and unexploited attractions, interested to experiment new destinations and things. They can be split into two distinct categories: *a) smart/ discerning travelers* who include young people between 25 and 35 years, more

exactly, young adventurers, interested in independent travels, rather than in planned, programmed and predictable vacations, and who prefer to refer to themselves as travelers and not tourists because they do not visit mass tourism destinations; and *b) empty-nesters*, consisting of people living in metropolis, always seeking escapade and relaxation but who also practice a healthy lifestyle.

Concerning technology, according to the *Global Competitiveness Report 2013-2014* [World Economic Forum, 2014] on the *9th Pillar: Technological Readiness*, among the 148 countries analyzed Romania ranks quite poor regarding *Availability of Latest Technologies* (107) and *Firm-level Technology Absorption* (104). Moreover, the indicator *Individuals using Internet* (64) ranks too low compared to the *Internet Bandwidth per User* which ranks very high (16), meaning that there still are few individuals using the Internet, compared to the Internet bandwidth available. The graph below (Chart Nº 2) indicates that firms are absorbing new technology quite slowly and that they are not responding to the rather large amount of individuals who are connected to the Internet and to mobile devices.
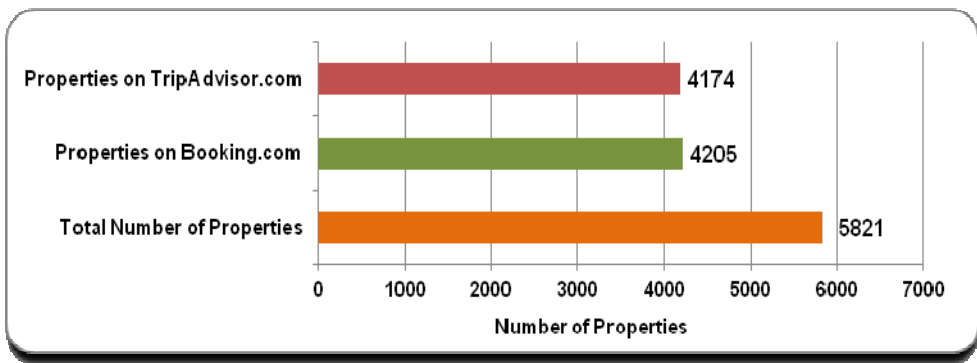


**Graph Nº 2.** 9th Pillar: Technological Readiness
(1=best position; 148= worst position)
*Source:* World Economic Forum (2014), *Global Competitiveness Report* 2013-2014.

Compared to the other 14 countries in South-Eastern Europe, Romania ranks first only for Internet bandwidth. In what concerns the other indicators, Romania ranks on the last places. Even countries such as Bosnia and Herzegovina, Macedonia, FYR and Montenegro rank higher than Romania (Appendix 1).

Surprisingly, Romania ranks first worldwide in terms of free access to Wi-Fi as a service commonly provided by hotels, a huge advantage most of hotel owners do not know how to exploit at its maximum potential in order to attract guests and especially Millennials. Therefore, although social media promotional tools and other digital marketing means exist, the knowledge is the one that lacks in most cases. [Oncu, 28.4.2014]



**Graph Nº 3.** The Presence of Romanian Hotels on Booking.com and TripAdvisor
*Sources:* NIS (2014), *Annual Tourism Yearbook* 2013, Booking.com, and TripAdvisor.com.

Regarding digital media, a percentage of 72.2 % of the Romanian properties are present on the world leader in booking accommodation online, Booking.com [About Booking.com] and 71.7 % are present on the world's largest travel site that provides trusted advice, TripAdvisor [About TripAdvisor]. Therefore, there is still an important percentage of almost 30 % of the accommodation facilities that are not present on these booking platforms, perhaps mainly of the 1 and 2* classification levels but not only.

The exact number of Romanian hotels present on Booking.com and TripAdvisor cannot be properly quantified. By selecting the "hotels" query when searching properties, the results will reveal hotels but also villas, tourist boarding houses, hostels and many other properties all registered under the hotels category. However, it is important to have in mind that on Booking.com, property owners and/or managers are the ones who register the accommodation unit, meaning that they opt to declare the facility a hotel as a way of increasing

revenues. On the other hand, on TripAdvisor usually guests are the ones who register a property in order to add a review. By connecting their property to TripAdvisor, hoteliers have the possibility to answer to their guests, in order to overcome the negative impact of reviews and to make the best of their praises.

According to a recent study conducted by HotelGuru.ro, an online booking platform, as many as 68 % of the Romanian tourists said that they trust online booking platforms and that they use them for reading detailed information and reviews regarding accommodation facilities. [Oprea, 21.8.2014]

The study concludes that the Romanian tourists are interested in online booking opportunities and that they are willing to access multiple sites for more detailed information but that they are still reluctant to complete the booking process through an online booking portal as they do not want to provide bank details. Also, they find it more efficient to contact the accommodation facility or the intermediary by phone. Therefore, only 28 % of them choose to complete a reservation online, while 39 % prefer to book by phone. [Oprea, 21.8.2014]

Some of the most useful Romanian websites to share guests' impressions and experiences are AmFostAcolo.ro, ViaRomania.eu and Hoinari.ro. These are not complex websites but, on the contrary, they are rather basic and easy to use, though, somehow with an unattractive look compared to Booking.com or TripAdvisor. What is important about them is that they are mostly used by guests who do not speak English or they are used for accommodation facilities that are not present on international booking platforms, units which target the Romanian market. However, despite their obsolete designs and overcrowded interface (that can be overwhelming for the user), their main objective is achieved: that of sharing guests' impressions and experiences with potential new customers, thus, having a direct impact upon potential new reservations for the registered hotels or other accommodation facilities. Unfortunately, these are some of the sites where some accommodation units advertise themselves pretending to be hotels when they are boarding houses or villas, or pretending to be officially ranked, while, in fact, they function unauthorized and without any classification certificate.

Online presence and marketing are essential for the survival and welfare of tourism facilities. Thus, according to Daniel Truică, representative of Vola.ro (online reservations platform primarily focusing on flight tickets), "the only segment that will continue to grow fast is the segment of online booking for flights and hotels. But here we are already talking of a very competitive market, coagulated around a few players." In other words, investment opportunities in tourism could limit to the online environment, which has lower costs compared to the offline one, but where competition is fierce. [Dobreanu, 15.1.2013]

Delivering the brand through multiple channels does not refer only to various online platforms and websites but also to various physical devices such as smartphones and tablets, and not only. There is a strong connection between social networks, smartphones and tablets, which means that optimizing websites for these devices, as well as also, creating differentiated content and specialized applications for them, contribute to reaching new segments and, eventually, to attracting new customers.

*The Digital IQ Index Study on Hotels* [2012] reveals that differentiated content on site and mobile booking platforms drive traffic and high margin revenues. The research demonstrates a clear relationship between how hotel brands perform in the digital marketing media and shareholder value.

Moreover, David Scott [2011, p. 204] considers that making an enterprise's brand available on various devices has important positive effects on its sales; more exactly: "The ability to contact consumers at the precise moment they're near you and ready to buy exactly what you sell will transform how you market to them. And the use of mobile reaches all levels of society, not just those who choose mobile because phones are cheaper than computers."

A Deloitte experts [2014] point out: "Hotels must ensure their websites are mobile-friendly in order to maximize the benefits of mobile technology. When Marriott launched a version of its website built for smartphones, it reported sales in excess of $ 1.25 million through the site in the first 100 days." The same researchers [Deloitte, 2014] continue by stating that: "Additional mobile services, already implemented in some hotels, include interactive maps/GPS, reward programs for quick mobile bookers, confirmation texts and pre-arrival texts. These ideas could be stretched further to encourage greater loyalty and ensure that hotels are providing the best possible service for their guests."

Moreover, Cornell University released findings confirming that guest satisfaction has a direct impact on the financial performance of hotels [*Hospitality Net*, 19.2.2014]: "If guests have a bad hotel experience, they are going to tell everyone they know online and via social media. Consumers trust online reviews, and if enough travelers start posting comments about long lines, slow check in or rude staff, it is going to have a direct impact on the bottom-line and the hotel's online reputation. Hoteliers need options to modify the processes that may lead to reasons to complain and negatively affect guest satisfaction scores and ultimately customer loyalty and the bottom line."

New technological developments generate tech and marketing twists that can have an awful impact on hotel demand if hoteliers do not react properly. For example, "the sharing economy is thriving in the travel industry today, with apartment dwellers or home owners using a variety of distribution channels to rent out their unused or vacation units, respectively their spare bedrooms to

travelers seeking alternatives to traditional hotel stays. Whether it is the Millennials with their different cultural tastes or just long-time road warriors with a need for destination authenticity or simply a cheap room, new vendors of alternative transient accommodation facilities have emerged to meet the demand: Airbnb, VRBO, HomeAway, FlipKey, Roomorama, CyberRentals.com and others." [Hotel News Now, 2.9.2014] Even though these options emerged as alternatives for hotel rooms, they attract customers who initially had a demand for hotels.

Even though they may not actually be perceived as a threat, because they address different segments, the concern is amplified with "Airbnb's market valuation of $ 10 billion, which is more than [that of] traditional hotel companies, like Hyatt. In addition, they recently hired industry veteran, Chip Conley, as Head of Global Hospitality. If that name sounds familiar, it's because Chip was a disruptor himself as one of the early introducers of the boutique-hotel concept." [Iwamoto, 4.9.2014]

## 2. Material and Methods

Taking into consideration that technology is rapidly evolving, it has been considered that the latest reports of three of the Big-Four and of other independent international organizations such as The World Economic Forum, together with specialized publications in various online journals can provide the most up-to-date information regarding the implications of technology and digital media in the hospitality industry, Romania included.

Moreover, while conducting a complex research, both online and offline, regarding all the hotels included in the *List of Licensed Tourist Establishments*, published half-yearly by the National Authority for Tourism (NAT) and of approximately 400 hotels not included in this list, each with or without license to operate, but currently open to tourists, an analysis of the online promoting situation of these hotels, promotion often non-existent or improperly performed was also carried out.

Two types of methods laid the foundation of the research methodology:
- secondary analysis, by treating various statistics, guides and brochures, specialized websites, by making use of comparisons, analogies and synthesis, and even by contacting hotels and travel agencies;
- induction and deduction, which are interrelated and have contributed significantly to the interpretation of the current state of the Romanian hotel industry, taking into consideration the situation presented by NAT through statistics and marketing campaigns, and different situation resulted from the research conducted.

### 3. Results and Discussions

The problems are not only linked to NAT. While conducting the research it occurred that the impact of the Internet upon hotel marketing seems to be ignored by most of the Romanian hoteliers. Currently, when 95.9 % of the Romanian tourists organize their holidays independently [NIS, *Annual Tourism Yearbooks 2010-2013*], and when most of Romania's foreign visitors come from the EU, and especially from Western European countries – the second online travel market in the world, after North America [European Travel Commission] most hotels have incomplete, broken or inadequate looking and advertised websites.

### *Most Frequent Mistakes*

The way hotels are promoted in Romania is indeed an important issue because most hoteliers seem not to know how to do it properly, or, worse, not to care, especially when it comes to digital media. Some of the most common mistakes that were identified are described in the coming lines:

- under the "About us/About the hotel" section is the description of the area where the hotel is located and not the actual description of the facility and services the hotel offers. This situation was often encountered in the cases of 2 and 3-star hotels, probably because of the lack of marketing knowledge of the hoteliers or because those hotels do not have much to offer, operating without significant improvements;
- incomplete information on the website or "Lorem Ipsum" where descriptive texts should have been, as well as information not updated;
- non-functional websites, with errors or suspended accounts;
- unattractive websites for the potential clients;
- websites designed using Flash, which cannot be accessed on smartphones or tablets.

Another common error is the choice of inadequate advertising taglines, slogans and phrases, by using negative connotations or excessive superlatives; some examples are presented in the following lines:

- discrepancies between the advertising phrases and the appearance of the hotel (e.g. "the most attractive", "the most..." for an ordinary hotel with standard rooms);
- exaggerations of the titles given to rooms (e.g. "Luxurious Room" at a 2 or 3-star hotel);

- "In large hotels, tourists are just numbers on the doors. Here they are treated as friends.", 2* Selena Hotel in Mamaia [www.hotelselena.ro], while they should be seen as guests and treated *per se*;
- "3 stars, fully deserved!", 3* Yaky Hotel in Piteşti [www.yaky.ro]. The English translation grants an inappropriate sense to the phrase, meaning that the hotel has no chance to ever receive more than 3 stars!
- "...try once. And once again...", 3* Eden Hotel in Câmpulung Moldovenesc [www.hotel-eden.ro], again a rather pejorative meaning;
- "Cheaper than us is sleeping in the train station!", 3* Adabelle Hotel in Braşov
  [https://www.google.ro/search?q=hotel+adabelles+brasov&oq=hotel+adabelles+brasov&sourceid=chrome&ie=UTF-8].

The occurrence of these unpleasant situations is high among 2 and 3-star hotels. It was disappointing to find out that, since 2013 when the research was first conducted, the situation has not changed much. Therefore, hotels, due to lack of knowledge in the field, or, as already stated, perhaps because of the entrepreneurs' and/or managers' interest, contribute themselves to this dissatisfactory reality.

Another relevant finding that has emerged during the research is the promotion of accommodation facilities in the Danube Delta. Although the destination is of high importance for Romania's international tourism campaigns, the existing hotels in the area are not centralized on a Romanian strategically funded online booking platform or on various online international booking platforms but they are spread on various reservations websites (TravelRo.ro, InfoTurism.ro, Plaja.ro etc.). Therefore, hotels are quite difficult to be found. The official support of the Ministry of Tourism was the listing of several hotels and their description on an unattractive green background, each with a picture on Sulina-Tourism.eu that also had an English version. Fortunately, this website no longer exists. Of the 20 hotels in the Danube Delta floating hotels, included), only a number of 7 hotels are present on Booking.com.

A study conducted by Deloitte [2014] suggests that "social media can work in favor of midscale and budget hotels, where initial consumer expectations may be lower. Hotels that manage to exceed these expectations can sometimes surpass upscale hotels in the rankings, where initial expectations are likely to be higher". Thus, with a little bit more knowledge and skills in digital marketing, with willingness and with some financial funds, budget hotels could do wonders! In the meantime, another feature of the Millennials is the preference for "low-cost luxury" which means that they do not have the income to drop $ 500 per night on a hotel room but they still want to feel on top of the

world. Their definition of luxury has changed as well. For them, luxury equates to a feeling of ease and low-stress, such as: a taxi ride from the airport instead of using public transportation, they do not want to be bothered by housekeeping at 8 a.m. or inconvenient check-in times [Lapelosa, 16.7.2014].

It is assumed that for a hotel group the importance of a consistent image of all the hotels in its portfolio is even more difficult to achieve than for independent hotels. But it is a must! This is why the analysis also turned towards some Romanian hotel groups and chains, and on their presence in the digital media. The results are shown in Table № 1.

**Table № 1. The Romanian Hotel Groups in the Digital Media**

| Name of the hotel group | Website | Responsive website | f | Booking.com | tripadvisor |
|---|---|---|---|---|---|
| Ana Hotels | ✓ | ✓ | ✓ | ✓ | ✓ |
| Aro Palace | ✓ | - | ✓ | ✓ | ✓ |
| Călimăneşti-Căciulata | ✓ | - | ✓ | - | ✓ |
| Continental Hotels | ✓ | - | ✓ | ✓ | ✓ |
| TBRCM S.A. | ✓ | - | ✓ | - | - |
| T.H.R. Marea Neagră | ✓ | - | ✓ | ✓ | ✓ |
| Turism Felix | ✓ | ✓ | ✓ | ✓ | ✓ |
| SIND România S.R.L. | ✓ | - | ✓ | ✓ | - |
| Unita Turism Holding S.A. | ✓ | - | ✓ | ✓ | ✓ |

*Source:* Authors' analyses based on each of the 9 Romanian hotel groups' websites. A minimum of 1 hotel present on Facebook, Booking.com and TripAdvisor was considered for each hotel group.

The results revealed that even though each hotel group has its own website, only 2 of the 9 hotel groups have a responsive website, meaning that the website adapts to the display of the device from which it is accessed (smartphone, tablet etc.). Hence, only Ana Hotels and Turism Felix are relatively aware of the importance of being present and accessible on various devices. All of the hotel groups are present with at least one hotel or with the hotel group's page on Facebook. Only 2 hotel groups do not have any hotel bookable on Booking.com and only 2 hotel groups are not present with any hotel on TripAdvisor.

Unfortunately, there is no hotel group with a mobile device application. One should not forget the lessons learned from IHG. In this respect [*InterContinental Hotels Group*], hotel brands should use technology for building

trust and for providing guests more self-reliance but also for ensuring that guests are supported when something goes wrong while away from home. Thus hotel brands must offer a service that is enhanced by technology, not replaced by it, even when the service itself is delivered "invisibly" by the means of technology rather than provided by the staff [*InterContinental Hotels Group*].

However, some of the few Romanian hotels that have a truly well-organized website, attractive and providing relevant and useful information, are present only on the fifth, sixth place at the bottom of a simple search on Google, are found even on the second or third page, or cannot be found unless the exact name of the website is written. Before and continuously after launching a hotel's website, methods to attract potential customers have to be considered and used. Such methods are of critical importance and they are often free, simple but ignored or little understood by hoteliers. Some examples in this respect are:

- optimizing the website rank in the search engine results; or
- search engine promotion through the analysis of traffic sources and how they change and evolve over time etc.

Such methods often require time but not necessarily (important) financial resources, Google providing free of charge the necessary support for most of them. Also, one does not need advanced IT knowledge for these optimization processes, and guides on how to apply them can be (easily) found on Google.

### *Signs of Improvement*

Hotels and tourist accommodation establishments that have identified the benefits of international online advertising and have acted accordingly, have been awarded TripAdvisor's Traveler's Choice annual distinction [*TripAdvisor Travelers' Choice*] as a result. While in 2013 the first 5 places were occupied by 3 hotels belonging to international chains and by only 2 independent hotels, in 2014 [*TripAdvisor Travelers' Choice 2014*] a number of 4 independent hotels were awarded and only 1 hotel belonging to an international chain.

Moreover, there was discovered a high concentration of internationally recognized distinctions in areas frequently visited by foreign tourists such as Sighişoara and Sibiu, where in 2013 there were accommodation facilities that still kept in plain view the awards received in 2011. Therefore, the race for receiving such awards from TripAdvisor and from other similar international organizations is either a response to customers' demands or, in some cases, a proactive action to attract them, both cases being the result of accommodation facilities gaining an increased number of guests after displaying such awards.

Other international awards have begun to be granted to Romanian hotels by the World Travel Awards since 2012. This organization aims at recognizing, rewarding and celebrating excellence across all sectors of travel and tourism worldwide [*World Travel Awards*].

Hotel Tourism & Leisure Investment Conference, a Romanian organization helps managers to identify new business opportunities and to find out which are the most important changes when it comes to the hotel, tourism and hospitality industries. Moreover, the conference also hosts a gala for rewarding the best hotels in the country on various categories: luxury, budget, leisure, business and spa hotels [*Hotel Tourism & Leisure Investment Conference*].

Hotels and other hospitality facilities that received awards or were nominated are located in different cities and destinations throughout the country, not only in Bucharest, meaning that there is a positive trend of hotel services' qualitative improvements and increases, throughout the entire country.

Another way to encourage the use of digital marketing is to educate hoteliers in this respect; this must not necessarily happen in specialized schools, which are still insignificant in terms of number in Romania but it can be supported by the private sector, represented by hospitality industry experts (through conferences, workshops presentations etc). However, the first conference dedicated to this topic was held at the beginning of 2013 at the Crowne Plaza Bucharest Hotel. One of the covered subjects was the online hotel distribution. The eTravel® Conference focused on the online commerce in the local tourism industry. Promoting and selling tourism products on the internet was the main discussion point of the event. The objective of the conference was to propose strategies for improving online marketing, trade sales and profits with minimal costs and efforts. The conference provided an opportunity to meet experts in the field, to analyze the differences between traditional and online advertising and to determine the means by which hoteliers can identify and understand how to use search engine technology as a marketing tool [*eTravel® Conference 2013*].

At the same time, some Romanian hotels gradually begin to turn towards firms that specialize in online marketing such as Buuteeq.com. The Digital Marketing System (DMS) of Buuteeq.com combines technology with smart marketing to help hotels increase occupancy rates and to reduce their distribution costs, by converting as many direct bookings in online reservations. In addition, it offers support for mobile devices and a Facebook application. There are also some hotels which address to specialized advertising agencies for digital marketing, thus, outsourcing such activities and tasks. However, while most of the advertising agencies have long before these trends started to offer such services, it is the Romanian hotels are who adopt them (too) slowly.

Another important step has been taken in May 2014, when the OVI Travel Travel Agency released vivolis.ro, the first online platform in Romania to go fully mobile for travel bookings – flights, hotels and city break packages – by smartphone, tablet, laptop or desktop, including WhatsApp and Viber applications. Vivolis.ro is linked to RED Bookings, a platform for bookings of tour operators and travel agencies [Oprea, 8.5.2014].

Therefore, some of the solutions for improving and enhancing the online presence of the Romanian hotels can be identified among the following ones:

- educating hoteliers through conferences, trainings and workshops;
- raising awareness of the importance of well-designed websites by promoting the benefits and potential results;
- hoteliers who want to renew their hotels' websites should listen carefully to what web designers and SEO specialists recommend;
- improving the sites of hotels, both in terms of quality and of the accessibility of (potential) customers by the means of search engines; and
- optimizing hotel websites for smartphones and tablets.

More and more Romanian hotels begin to take action as there is much need for improvement. In this respect, a triggering factor may be associated to the much needed genuine international competition on the local market. A higher penetration of the international groups and chains on the Romanian market might wake up the Romanian hotel owners and/or managers. Moreover, the poor online presence of the local hotel brands may also be attributed to the investors' profiles. Obviously, as most of the Romanian hospitality entrepreneurs [Mc Donough, Duncan, 2001; Pop, Cornelia; Coroş, Monica Maria, 2011; Pop, Cornelia; Yolal, Medet; Coroş, Monica Maria, 2011] seem to be only interested in gaining rapid returns on their investments, or to own vanity or trophy properties, respectively to make real estate investments, they are not interested in investing anything for the sake of improving a below-average qualitative level and, nevertheless, in a better online and digital presence of their facilities.

## 4. Conclusions

The changes that take place internationally in what concerns digital marketing, consist not only in modern online marketing campaigns, peer reviews, social media and means to meet customer demand through the nowadays common devices (smartphone, tablet, laptop, etc.) but also in the online booking platforms, which have emerged as alternatives for hotel rooms and which diminish customers' demand for hotels, becoming a genuine threat for hoteliers if not dealt with properly.

Online marketing of Romanian hotels is an urgent issue that needs to be addressed and improved. Most hoteliers seem not know and/or not to care how to adequately promote their hotel, sometimes making their situation even worse. Moreover, the low and medium qualitative levels provided by most of the hotels contribute to the quite negative image of the Romanian hotel industry, and to its poor performances.

The most important findings of the present research revealed that:

- most of the Romanian hoteliers have not yet acknowledged the changes that take place related to digital marketing;
- the importance of the digital marketing seems to be little understood by the Romanian hoteliers;
- discrepancies occur between what hotels promote about themselves and their real situation reviewed on specialized websites and platforms, respectively on discussion forums;
- there are websites with information that is not updated or which promote hotels that do not exist anymore;
- most hotels that do not have their own website are 1, 2 and 3-star hotels; despite this, some of them promote themselves on international reservation websites and platforms (e.g. Booking.com, TripAdvisor etc.);
- there are properties that confusingly promote themselves as tourist pension-hotel or hotel-tourist pension;
- few hotel websites are responsive, hoteliers are not aware that by being accessible on different devices such as smartphones and tablets they can better reach their target audiences. In what concerns dedicated mobile applications, these are only used by some international hotel chains present in the country;
- it seems that that Romanian hotel owners and/or managers do not yet acknowledge the business environmental changes brought by Airbnb.

The large majority of the Romanian hoteliers are passive to the changes registered by digital marketing, attitude which will have disastrous consequences upon the demand for their services. The drop in hotel demand in Romania in the last years may have been impacted by the hoteliers not adapting to the recent changes: since 2000 demand has dropped from 42.6 % to 29.9 % in 2010, with a slight increase in the last few years to 31.7 % in 2013, at the national level. [*** Tempo Online]

The impact of the continuously evolving digital marketing begins to be sensed by some of the Romanian hoteliers. Large hotels have the financial funds to invest in adopting solutions for the new digital marketing trends but budget hotels struggle to face the changes with limited budget and personnel or just

watch them pass away. On the other hand, Romanian hoteliers begin to slowly realize and learn the importance of attending conferences and workshops and the demand for such events is continuously growing. Also, they realize the importance and benefits of international awards and nominations for their properties.

In order to be successful when addressing customers belonging to Generation Y, hoteliers must create advertisements that bear attributes such as [Cambal; Zibrinova, 2011]:

- to provide practical and clear information;
- to have a humorous undertone;
- to have a focused design;
- to be well prepared;
- not to underestimate details;
- to highlight the service(s);
- to focus on the Generation Y lifestyle; and
- to create a trademark.

To sum up, most Romanian hoteliers have not yet acknowledged the changes that are taking place in the digital marketing area, and which, obviously, affect the worldwide travel industry. Assuming that they know what is best for their hotels, wrapping themselves in a "bubble" and denying the changes, they are focusing more on the external environment. Thus, they frequently ask themselves the wrong question, like: "Why is customer demand diminishing?" instead of: "What is there to be changed in order to attract more customers?". Of course, being proactive instead of reactive leads to adopting solutions that are closer to their businesses' reality. Moreover, the internal environment of the organization is easier to control and to change. The first question makes them feel victims, with no power to control the outcome, atoning for their lack of action. However, digital marketing and its devices are here to stay in the long term, making the situation even more difficult for those denying the current reality.

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## Appendix № 1. Technological Readiness of Romania Compared to Countries in South-Eastern Europe

| Availability of Latest Technologies | | Firm-level Technology Sbsorption | | Individuals Using Internet | | Internet Bandwidth, kb/s per User | |
|---|---|---|---|---|---|---|---|
| Austria | 24 | Austria | 17 | Austria | 21 | **Romania** | **16** |
| Slovenia | 39 | Slovenia | 62 | Slovakia | 22 | Austria | 17 |
| Hungary | 57 | Slovakia | 72 | Hungary | 34 | Slovenia | 21 |
| Croatia | 59 | Hungary | 73 | Slovenia | 36 | Bulgaria | 22 |
| Greece | 67 | Croatia | 76 | Bosnia & Herzegovina | 40 | Moldova | 23 |
| Italy | 69 | Greece | 88 | Macedonia & FYR | 43 | Italy | 27 |
| Slovakia | 70 | Montenegro | 89 | Croatia | 44 | Serbia | 29 |
| Bosnia & Herzegovina | 76 | Bosnia & Herzegovina | 93 | Italy | 51 | Montenegro | 36 |
| Macedonia, FYR | 80 | **Romania** | **104** | Montenegro | 52 | Greece | 38 |
| Montenegro | 83 | Albania | 108 | Greece | 53 | Macedonia, FYR | 55 |
| Bulgaria | 99 | Italy | 112 | Bulgaria | 55 | Croatia | 58 |
| **Romania** | **107** | Bulgaria | 113 | Albania | 58 | Bosnia and Herzegovina | 64 |
| Moldova | 116 | Macedonia, FYR | 121 | **Romania** | **64** | Albania | 75 |
| Serbia | 118 | Moldova | 124 | Serbia | 67 | Hungary | 81 |
| Albania | 119 | Serbia | 137 | Moldova | 77 | Slovakia | 91 |

Sources: *South-East Europe Transnational Cooperation Program* and World Economic Forum, *Global Competitiveness Report 2013-2014*.