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INTERNET MARKETING CAMPAIGN FOR RAILWAY HOTEL

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The purpose of this thesis was to recognize the significant influence of Internet application in the marketing area and explore the specific processes when planning a successful marketing campaign for medium-sized company, also to create a new Internet marketing campaign to improve the target company's brand recognition and its communications with customers.

The theoretical part of the thesis was composed of Internet marketing development elements including definition, role and strategy. It also introduced the fundamental processes when creating a marketing campaign.

The relevant data were gathered through face to face interviews with the managers of the case company. The questions were related to the marketing situation and goal of the case company. Additionally, a self-designed questionnaire was chosen to evaluate the customers' online activity and experience on the hotel's online service.

Internet marketing plays a vital role in managing the company's brand image and customer relationship in various business fields. Selecting the right Internet media channel to promote marketing is a big challenge for achieving business goals. An attempt was made to create an effective Internet marketing campaign integrating three different new media channels to improve the brand visibility and customer relationships of the case company. The proposal was based on the exploration of the company's situation and local market analysis. As a result of the study, a plan was implemented from two stages. The first stage of the campaign used a mixture of social media and email, and the second stage applied the online service platforms.

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1 INTRODUCTION

In this chapter, it gives an introduction for the purpose of thesis and basic information on the thesis topic: the case company problems, data collection method and the framework of the study. It also provides an outline of the case company background information.

1.1 Overview of the study

Due to the popularization of the Internet utilization and fast information technology development, Internet becomes a vital vehicle to share information and widely applied in various business fields. For this reason, competition in the hotel industry does not only exist in physical evidence, price and service quality. Information competition is turned to be an important element to affect competition among hotels. The utilization and development of the Internet offer new opportunities for creating an effective marketing plan for hotels.

1.1.1 Objectives

The main purpose of the thesis is to investigate the contribution of Internet applications in company's marketing communication and what are the different influences comparing with other traditional marketing communication channels by using the Internet and also offered a plan of a new Internet marketing campaign by integrating various new media channels and new appropriate marketing strategy to improve brand recognition and interactive communication with customers for the target hotel.

1.1.2 The Case company problems

As a matter of fact, the case company took more practices on traditional marketing approaches to improve brand image during the last 6 years. But, the majority of local competitors also have invested even more money on traditional marketing

approaches. It is quite difficult to increase brand recognition and appeal more customers through traditional media channels.

In 2009, the company began to use the Internet in their marketing activities. They have invested lots of money on establishing official website. But, after the testing period, they found that loyal customers still preferred booking by phone and the new customers primarily booked through the Internet. Visitors of the case company's homepage are not increased as expected. The improvement of company brand recognition is still the most crucial mission for the case company.

They also cooperated with online hotel and tourism service platforms during the last 3 years. Because the case company too much depended on these booking services websites, they lost the chances to communicate with its customers directly, which has a negative influence on its customer service quality and customer relationship improvement.

1.1.3 Data collection methods

Data for the study was mainly conducted by the qualitative data collection method. The face to face interview with the managers of the case company was expected to give answers about the current marketing situation from the company perspective, previous marketing strategy, experiences, company expectation and perceptions of the new Internet marketing campaign. Furthermore, the designed hotel customers online activity questionnaire involves 68 respondents participating, which focus on acknowledging customers' feedback about the applications of the Internet in the local hotel industry, experience and the main online activities. The secondary data on Internet universality and usage situation were collected from reviews of official documents.

1.1.4　The framework of the study

The study chose a medium-sized company Railway Hotel, a local three-star hotel in Taiyuan as the case company to offer recommendations to improve its brand image in the local market.The framework of the thesis consists of two parts.

The first part is the materials of literature part, they were collected from plentiful books, journals, articles and websites in both Chinese and English databases. It is composed of Internet marketing development elements including definition, role and strategy. In spite of identifying the significance of Internet marketing application, the study also specially presents the fundamental considerations of processes when creating an Internet marketing campaign, which contains marketing objective, marketing strategy, media planning, implementation, and evaluation process of marketing campaign planning.

In the second part, it offers a specific analysis about the current situation of the case company and the hotel market in Taiyuan. It also identified the problems of previous online service practices and figured out how to deal with them. Then, it sets up a new Internet marketing plan for Railway Hotel to improve the brand image and promote its customer relationships of Railway Hotel. In the end, implementing the recommended Internet marketing plan and evaluating the final results is the critical parts in completing the whole marketing plan.

1.2　The background of Railway Hotel

Railway Hotel is a three-star hotel in Taiyuan, which was established in 1988 with a long history in the local hotel industry in Shanxi Province. It belongs to China Railway 12Bureau Group Co., LTD and it is the only hotel won the Youth Civilization Corporation of Shanxi Tourism Industry among 300 hotels in Taiyuan, Shanxi. The management idea of Railway Hotel is "Integrity service, respect customer". And all the employees devote themselves to doing the best to serve their clients. All the staffs guarantee that you will have a comfortable stay here.

1.2.1 Numbers

In 2005, Railway Hotel had gone through a rough period that the company had a 3.8 million CNY debts. In order to handle with the difficulties, the company was trying to make a deep analysis of service and market. After one year reformation of service quality and employee training system, Railway Hotel had survived. During 2008, the company had invested 20 million CNY in the refurnishing external decoration and hotel internal facilities. By far, the occupancy rate of Railway Hotel is generated by 68.5% and pure profit is approximately 18.9 million CNY. From 2008 to 2012, the growth rate of new members is 10.9%. It is at a lower level compared with other three-star hotels in Taiyuan. The main customers of Railway Hotel are conference reception and business travel and it occupied 54% of total clients (Jin, personal communication on 14.7.2012).

1.2.2 Previous Marketing Experiences

As a matter of fact, case company took more practices on traditional marketing approaches, for instance, TV advertising, newspaper advertising, billboards advertising and other direct marketing methods to find potential clients and expand their local market during the last 6 years. For the next few years, decreasing the expenditure of traditional marketing investment and strengthening Internet marketing solutions are the key business goals of Railway Hotel.

Additionally, Railway Hotel began to invest in the development of hotel's differentiated service through Internet marketing which mainly focused on building relationships with more famous Chinese Hotel and Tourist service platform and publishing its information on these websites since 2008, such as Qunar.com and elong.com. But, the result hasn't seemed to be as expected as a beginning. For example, the company has invested 56 thousand CNY on establishing its own website in 2009. For taking advantage of this practice, it will cost too much money on promoting a Railway Hotel's website and hiring professional technical persons to operate the website. Thus, the manager decided to stop running this website. In addition, Railway Hotel had a stable and long-term relationship with third-party platform and cooperated with them

for few years, but the relation became nervous since the expenditure of this service increased a lot from 80 CNY per month to 1200 CNY per month after 2010. (Jin, personal communication on 14.7.2012.)

Nowadays, the competition in the local hotel industry became more and more fierce. Therefore, it is obviously significant mission to seek for rapid, healthy and innovative development for Railway Hotel in the future by taking a new strategy and new format media channels.

2 INTERNET MARKETING

This chapter offers an overview of Internet marketing literatures, the purpose of this part is to introduce the key theoretical concepts applied in this study and give readers a good understanding basic comprehension of the definitions and principles of Internet marketing, also presents a deeper understanding about various methods and strategy within Internet marketing activities.

2.1 Definitions of Internet marketing

The trend is that finding information through the Internet is becoming more natural all over the world. The previous study shows that the adoption of the Internet is faster than any media, it took 13 years for TV to reach 50 million users, and Internet only took five years (Ellsworth & Ellsworth 1997, 78). To a large extent, the rapid development indicated that the way of Internet marketing communication should be conducted.

As the previous literature indicates, strategy for Internet marketing has new features, for instance, new segmentation, new targeting, new positioning and emphasizing on authenticity and sales promotion over a range of websites (Aldridge, Forcht & Pierson 1997, 161).

Later, lots of authors have defined Internet marketing in different ways. Internet marketing is a new activity over the Internet to manage the customer relationship by facilitating the exchange of ideas and services to satisfy their clients (Imber & Betsy-Ann 2000, 24). This definition recognized the important feature that internet marketing views Internet as an intermediary to integrate various Internet resources applying different technology tools to design and implement marketing activity of companies, which replace traditional media methods.

2.2 Role of Internet marketing communications

Many scholars predict that the way of Internet marketing is a new Era of marketing communication process and it would be replace the traditional marketing function one day in the future (Heinen 1996, 7-14). The Internet seems to be a facilitator in information exchange, which can lead companies to an effective communication with its customers and contribute to new product development processes. It also helps companies build a closeness and maintaining relationships. In European Journal of marketing, it describes a key point that it is necessary to change the role of the Internet nowadays, from being a vehicle mainly for "pull" promotion to a more complete "push and pull" activity because of improving technology (Durkin 1999, 974-977).

Later studies indicated that companies take more advantages of applying Internet marketing only for informational delivery (Arnott & Bridgewater 2002, 86-95). An interesting feature of internet marketing communication in their article: the exploration of online interpersonal communication and its role in consumption behaviour reminds us that the marketer has a minor role in effecting the purchase and consumption. (Nigel& Hume 2003, 615). It is effectively discussed the big advantage of Internet marketing communication, which is rapid spread, low-cost and border-less communication.

While many relevant issues are discussed, the greatest advantage of Internet marketing is realizing two-way communication by comparing with traditional marketing communication, which means this type of communication can become interactive

and that also better choice to the individual needs, which achieve the goal of flexible marketing communication (Lagrosen 2005, 63-69).

While there are others who do not want to follow the dogma that the Internet is the most important tool in the marketer's armoury. Rather, they explained that the Internet is a very useful and powerful tool, but the users with its limitations and ways to deal with them. As a summary, Smith summarizes five key benefits for Internet marketing, which contains online sale makes the distribution channel widely firstly. Secondly, giving promotion information to customers and extra benefits through the Internet is more convenient than other channels. Thirdly, Internet marketing is beneficial for tracking and getting feedback in time to maintain relationships effectively. Fourthly, it realizes that decreasing the transaction and administrative cost as well as print or postage fee. The fifth advantage is creating brand recognition and awareness rapidly over the Internet (Smith & Chaffey 2008, 101-120).

Figure1. Five key benefits of Internet marketing application

2.3 Internet marketing campaign planning

This chapter chiefly introduces the key issues and specific information about marketing campaign planning process which should take into consideration. A set of

processes following below when plan and implement a marketing campaign is recommended (Madhavaram, Badrinarayanan & McDonald 2005, 69-81). The first step is to make a situation analysis on internal (company and product) and external environment (market, competitor and customer behaviour) analysis. Then, it is necessary to identify the marketing opportunities, for instance, the marketing objective, key target market and audience. The next process is to select a right agency to do the marketing campaign. When all the preparation is ready, it is time to develop and implement the campaign including selecting the right media channels. After the campaign is completed, evaluating the effectiveness and efficiency of the campaign is absolutely important process in whole plan. Last but not the least, future planning is also important for companies to take into consideration.
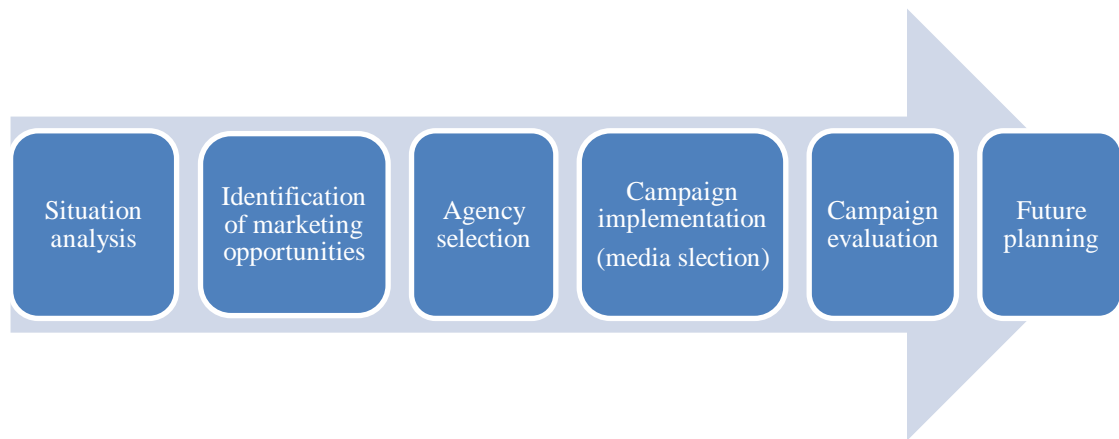
Figure 2. Process of planning and implementing marketing campaign

When planning and measuring of marketing activities, it is essential to think the forms of communication, message distribution channels, target customers, as well as brand contact points (Kitchen, Brignel, Li & Spickett Jones 2004, 19-30). It has much to recommend at this point, a successful campaign planning process contains well understanding of case company and business. There is no doubt that analysis of company and market situations is significantly important. For instance, company strategy, objective, and competitor analysis, target customers, customers demand and brand positioning. Except that, in terms of social, economic, technological factors need to be taken into account as well.

2.3.1 Situation analysis

It is claimed that the success of a marketing campaign is not only depending on creative execution, but also, conducting the market study is a functional method to get messages on customers' expectations about your service or products, identify the most important segments and media channels and finally achieve the target group. Some scholars claim that analysing the company and its business is really necessary before planning a marketing campaign, which covers scanning of the changing needs of customers, competitor analysis, demand analysis and SWOT analysis of the market environment (Caemmerer 2009, 524-538). Particularly, demand analysis is a key factor to define and set an Internet marketing strategy and objectives and it shows the current needs of customers in different market segments. While preparing a comprehensive competitor analysis is beneficial for comparing the diverse competitor activity and analyze the different levels of market outcomes, which contribute to the marketing campaign.

2.3.2 Internet marketing campaign objectives

"Objective" is defined as a clear vision on company's expectation and goals to meet customers' needs and aspirations this marketing campaign would be achieved and its capacity when meet changes, which is an important part to provide direction for doing a full-scale marketing plan. A good objective should give a clear idea about the sales or revenue for this activity and it should be specific, measurable, achievable, and realistic and timely (Dransfield & Needham, 2005). Generally, the objectives of an Internet marketing campaign usually contain one or more of the mentioned benefits, which defined as "5S". The advantages of it can be described as "sell", "serve", "speak", "save" and "sizzle". As writers explained, it can grow sales revenue through a wider distribution channel with a better price and provide customers extra benefits or get their feedback online. Moreover, it keeps closer relationship with customers and communicates with them easier for saving costs of service and administrative costs. Furthermore, it is possible and effective strategy to extend the brand online, because the web is seen as a better and effective medium for building brand awareness, recognition and involvement. (Smith & Chaffey 2008, 120-140.)

2.3.3   Internet marketing campaign strategy

Compared with marketing objectives, marketing strategy is aiming at adopting the changes of market and selecting market-oriented strategy to reach the objectives of the marketing actives, it emphasizes on the process how to fulfil the business goal of the company (Homburg, Sabine & Harley 2009, 325-331). Chaffey concludes that Internet marketing strategy process models "SOSTAC model" with its particular characteristics containing analysis, objectives, strategy, tactics, and action, and control (Chaffey 2012).

Marketing strategy is composed of three essential strategy categories for market segmentation, targeting and positioning (Kotler & Armstrong 2001, 178). Most importantly, marketing strategy typically identifies the beneficial segments of the current market which base on similar needs or other characteristics to serve, then use the marketing segments to create a brand image and position the product or service to attract the targeted consumers and satisfy them, finally to increase competition and win the market.

2.3.3.1   Segmentation

Market segmentation can be defined as the process of dividing people or organizations into groups. When the market is segmented into individual clusters of customers on the basis of similar needs, demands, behaviours, specific tastes, preferences or other characteristics, effective segmentation is realized. Meanwhile, segmentation can be divided into four main categories: geographic segmentation, psychographic segmentation, usage segmentation and demographic segmentation. (Paley 2007, 110-117.)

Table1. Segmentation Based in Market (Paley 2007, 110-117)

Segmentation Method	Geographic	Demographic	Psychographic	Usage
Description	International National Region Local Urban/suburban/ rural	Age Sex Income Education Occupation	Lifestyle Social class Personality Cultural influence Self-competence	Brand loyalty Benefit sought Occasions for purchase

Theoretically, there are several criteria particularly considerable when decide to choose market targets and it consists measurable, accessible, meaningful, substantial, profitable, effective and defendable (Paley 2007, 132-137).

2.3.3.2 Targeting

Targeting is identified as the actual selection of the segment which group of people or organization prefers purchasing company's product or service after evaluating the attractiveness of each market segment. Selection of a target group has a significant effect on creating a successful marketing campaign among segmentation and positioning marketing methods (Ferguson 2008, 178-183) and the process of determining the target group is relatively difficult because of the complexity and diversity of customers' expectations and perceptions. Generally, there are four categories on the main acknowledged strategies which are beneficial for determining target marketing. The first one is undifferentiated marketing which applies only one marketing mix for attracting potential customers. The second category is differentiated marketing using a diverse marketing mix for several different segments of the market. By contrast, concentrated marketing is regarded as a single marketing mix for a segment of the total market and custom marketing is aimed at applying a separate marketing mix to focus on appealing to the individual customer's requirements (Leppäniemi & Karjaluoto 2008, 50-61).

2.3.3.3   Positioning

Positioning concerns how the product or service is perceived in customers' minds compared with competitors' products or service and how a suitable marketing should be designed for appealing company's specific target market. Actually, the purpose of positioning strategy is to help people to form a mental image of the company unique brand or service in their minds for each segment company choose to serve. An effective positioning strategy should first identify the different elements from competitors's brand or products and establish the most advantageous position of the company within a particular segment of the market (Pickton & Broderick 2005, 453-460).

In real business, in order to gain the market successfully, companies are necessarily required to have a deep and specific understanding of customers' needs and preference. It is not possible to satisfy all the customers in the competitive market while selecting the best segments and setting up specific strategies for choosing segments and positioning brand plays an irreplaceable role in the whole marketing strategy process.

2.3.4   Media planning

Due to the competitive environment of the market, the importance of applying all the right tools for Internet marketing to implement and reach the intended market objectives is not allowed to ignore. At the end of the 1980s, it ranked communication channels in this order: face-to-face, telephone, electronic media, letters, notes and memos (Trevino & Daft 1987, 355-366). Later on, Internet marketing is not only means to market on the Internet, it also covers marketing via email, mobile and other electronic customer relationship management system ways (Sinisalo, Salo, Karjaluoto & Leppäniemi 2007, 771-787). Media selection is actually affected by lots of things, such as, campaign's objective, target customers and the duration of the campaign (Leppäniemi & Karjaluoto 2008, 50-61). Accompanying with the appearance of the Internet, it turns to be a popular and effective method to do marketing.

Currently, with increasingly developed technology, online media tools have faced its opportunities. According to the classification of exposure, online media can be divided into three categories: owned, earned and bought media. However, earned media require companies to pay for personnel and time during the online marketing and bought media is needed to invest and pay more compared with other online media categories.

To be more detailed, there are specific types of channels for media selected which is popularly used in Internet marketing program (Armano 2009).

1. Display advertising: Public company information on the web banners of a third-party's website or blog

2. Search engine marketing: Use free search engine optimization techniques or pay for click, search engine result pages to increase the brand visibility, such as Google.com and Baidu.com

3. Social media marketing: Advertising and gain customers attention through social media website such as xiaonei.com, tudou.com, sina.com, sohu.com, and kaixin.com

4. Email marketing: Transfer product message through email which is inexpensive, highly lucrative method to solidify brand loyalty

5. Mobile marketing: Apply mobile technologies and pay for the best mobile applications by getting your brand into the hands of your customers

6. Video marketing: Create and share creative and unique videos on professional video websites to appeal customers watching

7. Affiliate marketing: It is a performance-based marketing and with low risks and low cost, since the company only pays when a desired action is reached.

8. Online public relations and article marketing: Publish company news and articles on PR distribution sites and promote company awareness.

In summary, when a company applies various media channels in conducting a marketing campaign after choosing proper media channel, the most considerable thing is having a well-designed schedule. It includes the accurate time of launching the campaign and duration of the whole campaign complete.

2.3.5   Campaign implementation and evaluation

Another important point to consider when planning a campaign is the implementation and evaluation. With the careful planning of a marketing strategy, objective and implementation, online marketplace will provide companies with incredible growth in sales and profits. Evaluation in terms of effectiveness and efficiency is of great concern for every marketing campaign (Leppäniemi & Karjaluoto 2008, 50-61). In contrast, effectiveness is discussed about whether the campaign meets the objectives, but efficiency is referring to the value whether the investment of the campaign is profitable and successful.

Furthermore, Cruz and Filll have much to recommend about the evaluation of the campaign process, they suggested that depend on analyzing campaign data, the company is able to track the behavioural and psychological changes in target segments and help campaign Implement effectively (Cruz & Fill 2008, 740-759). They have ability to decide to abandon or adjust schedule and strategy of the campaign in the future, if the campaign is not effective and efficient. To opposite, if the marketing campaign is quite successful, it is possible to continue the campaign to prolong the duration of the campaign to make contributions to the original business goals and objectives.

3   HOTEL INDUSTRY AND MARKET IN TAIYUAN

In this chapter, the author offers a review of hotel industry and market in the local place and it also covers an analysis on the future market of the hotel industry, which helps in giving the final recommendation of the thesis.

3.1   Reviews of hotel industry development of Taiyuan

Taiyuan is located in the middle part of Shanxi Province and abundant in tourism resources in China. As a matter of fact, the starting of the hotel industry in Taiyuan is

later than any other provincial capitals in China, but the growth rate is comparatively faster.

3.1.1 History

Until 1977, there are only two hotels permitted to receive foreigners, namely Yinze Hotel and Bingzhou Hotel. By the end of 1988, the quantity of tourism hotel was raised to seven in Taiyuan (Han 2009, 4). In the 90's of the 20th century, the tourism industry of Taiyuan gradually formed a certain scale, thus, hotel industry had met a new time in Taiyuan. In 2005, the total number of hotels in Taiyuan reached over 721. It was conservatively estimated that there were 81 star level hotels in total. In all of them, there were 3 five-star hotels, 9 four-star hotels, 37 three-star hotels and 32 two-star hotels in the local hotel market. Year 2010 and 2011 are the most significant years in the Shanxi hotel industry, during this time, hotel industry became one of the fastest growing industries in China. According to major statistics offered by the National Tourism Administration of the People's Republic of China, the number of Shanxi's star hotels grew up to 301 in 2011. Among it, 15 five-star hotels, 57 four-star level hotels, 130 three-star hotels and 99 two-star hotels. But, the sum of Taiyuan's star hotels has decreased to 76, which reduced by 23.5% compared with 2010 (Official statistics of China: Chinese star hotel quantity distribution situation 2011).

3.1.2 Current competitions

The current situation is that star hotel in Taiyuan focus on selecting single location hotel management. Alternatively, chain brand development models of hotels are not in common practice. It obviously finds that four-star and five-star hotels dominated the high-end hotel market in Taiyuan. The total number of hotels is 12 and its standard price is above 900 CNY per night. Accompanying with significantly growing of the number of people for business activities and self travelling, there is no doubt that the economy hotel is more popular and valuable choice for especially tourists and business people, which is a new format for the hotel industry. The edium-end market (standard room price in 100-300 CNY per night) is gradually occupied with raising

economy hotels in recent years. At the same time, many of low star-level hotels begin to transfer to be "Economy Hotel", which is to adapt the needs of creating the brand identity and fierce competition, but also improve the image of Chinese hotels, establish the competitive advantages and speed up into the need of economic globalization. Thus, local three-star hotels inevitably face a new fierce challenge that competes with economy hotels for the medium-end market of the hotel in 2012.

There are various types of hotel meeting requirements for different customers in Taiyuan. The most well-known local star-standard hotels include Conference Hotel, Yuyuan Hotel, Taixin Hotel, Imperial Garden Holiday Hotel, and Jiangnan Hotel. The most famous and well-known domestic brands are Jinjiang Inn and Home Inn from Shanhai Jinjiang Group., Hanting Express and 7 Days Inn, they are regarded as representatives of the domestic economy hotel brand in Taiyuan, which has developed rapidly in recent years. Until 2012, these kinds of domestic brands have opened over 90 chain hotels and continue to overall expansion in the hotel market of Taiyuan.

3.2　The forecast of growth of hotel industry in Taiyuan

In 2011, there are more than 200 hotels increased in Taiyuan and there are on average over 5 three-star hotels distributed near the main area, such as, business district, central administrative region, railway station, airport and bus station. Along with the rapid growth of hotels coming, the local market tends to be extremely oversupply without doubt. In fact, the majority of local hotels adopted price war to compete for their market, for example, hotels cut the room price privately to attract customers attentions.

Until February 25th 2012, there are totally 351 star standard hotels in Shanxi and 103 star-rated hotels in Taiyuan. Among them, there are 75 hotels grading same three-star level with Railway Hotel. The total number of hotel rooms is approximately 6300 and occupancy rate of rooms in hotels reaches 52.66%. So far, there are not many international hotel management groups enter into Taiyuan, mainly managed by domestic management and local management. But still, there are nearly 80 percent of star level hotels in Taiyuan facing threats from economy hotels. As estimated that by

the end of 2013, there will have more than 9 medium scale star hotels opening in Taiyuan. Therefore, the situation of over demand will be more intense and the competition will continue and the prospect of the hotel market is not optimistic as expected (Zhang Jinyang 2012).

4 BACKGROUND DATA COLLECTION FOR MARKETING CAMPAIGN

In this chapter, it presented the data collection method used in this study and explained the main data collection methods and the reasons that considered.

4.1 Qualitative data collection

Due to intangible and complex data of the case company, qualitative data collection method is normally chosen for gathering data, which is a useful way to deal with ambiguous data compared with a quantitative method (Gilmore & Carson 1996, 18). Qualitative research is an approach that helps researchers to learn things in their natural settings or phenomena in terms of the meaning that people bring to them (Denzin & Lincoln 2000, 189-198).

From the case company point of views, it is typically crucial for the marketing planning and to get a better comprehension of the company situation, understand the meanings of their strategy. The qualitative data collection is an effective method to answer study questions from the perspective of the actors involved, rather than explaining it from outside (Sonia 2004, 14).

4.2 Data collection methods

Data collection plays a vital role in judging the value of the study. Whether the collected data are accurate or not having a big influence on the conclusion and evaluation of the study. Generally, the typical type of data collection methods applying to this study is a qualitative data collection method. The main type used in qualitative

data collecting methods which can be classified in four categories: non-participant observation, participant observation, in-depth interview and questionnaires.

For the purpose of communicating with the target groups effectively, the interview is used for refining the theoretical framework and further test (Carson, Gilmore & Gronhaug 2001, 178). Therefore, conducting semi-structured face-to-face interviews are aimed at gaining in-depth answers about the target hotel's current situation, previous marketing strategy, marketing experience, new requirements and expectations for this Internet marketing campaign, which applied to new Internet marketing campaign solutions for case company and affect on creating an effective Internet marketing campaign. This semi-structured interview approach offered a relatively atmosphere to interviewees. They were able to talk freely to answer study questions. The interviews were conducted on July 14th in 2012 with general manager Changjiang Xin and marketing manager Linzhen Jin from the marketing department at the Railway Hotel. The interviews were conducted in their work office and each interview spent one hour. In case, all the interviews were recorded.

In order to get a deep and wide understanding for their views of the Internet and the main online actives among hotel customers in China nowadays, an open-ended questionnaire was conducted among 68 respondents in Taiyuan. Of the respondents, 60 percent of participants were above 35 years old, 40 percent were between 22 to 35 years old and 62 percent had higher education qualification with age from 25 to 55 years old. The questionnaire results were approached by face to face speaking freely and email reply.

4.3 Reliability and validity

In this thesis, on one side, both interview and questionnaire questions are professional and specific and reviewed by supervisors, which are the significant part in completing this study. On another side, one of the interviewees is the marketing manager of the Railway Hotel, Linzhen Jin, who majored in marketing management and graduated from the top-ranking university in China, he has worked in the Railway Hotel for 6 years. With abundant marketing experience, he could reply all the study ques-

tions for Railway Hotel. Selected respondents of the questionnaire were chosen from various kinds of occupations, student, businessman, teacher, seller, engineer, worker, and so on. The questionnaire included 10 questions and it only cost a maximum five minutes. For this reason, respondents were willing to cooperate to complete the questionnaire survey with their own real opinions. It can be proved that all the result was reliable and credible as well. All the facts proved that this thesis was highly reliable and valid.

5 INTERNET MARKETING CAMPAIGN FOR RAILWAY HOTEL

This campaign is the first innovative practice, in which Railway Hotel applies a combination of three Internet media channels in the certain period to win the goals. According to the interview results with the managers of Railway Hotel, a specific SWOT analysis will be conducted for getting a deep understanding of the target company current situation. Moreover, marketing objectives and new marketing strategy for new practice will be recommended based on the findings from managers and customers' feedbacks. Therefore, a detailed planning and recommendations for each period and steps for implementing the Internet marketing campaign will be described.

5.1 Market situation analysis

The market is really an essential factor to be taken into account for every single company. Good and specific market situational analysis will be made a contribution to promote the company's decision making process and handle with business challenges and the opportunity well. In this chapter, the author focused on analyzing two parts to discuss the market situation that case company faced.

5.1.1 External

Taiyuan is in the middle part of Shanxi Province in China. The total area of Taiyuan is 6988 square kilometres and according to seventh national population census data

of Shanxi Province (2011), it includes a permanent population of 4.2 million residents. As Taiyuan is the provincial capital in Shanxi, its GDP (Gross Domestic Product) is 208.2 billion CNY up by 9.9% in 2011, which accounts for 21.7% percent of Shanxi province's GDP and in a leading level among 11 cities in Shanxi. In 2011, there were 89 foreign projects invested in Taiyuan.

2012 is a very important year in Shanxi province, which launched Shanxi tourism feast in Taiyuan. On April 21, Shanxi tourism 2012 Network brand promotion conference "I found, JinShan JinMei" was held in Taiyuan. The project website choosing "JinShan JinMei" as the core promotion idea is for appealing people to pay attention to the traditional culture and natural scenery of Shanxi. Also, the establishment of the website provides a mutual platform for finding and recommending Shanxi cultural tourism resources and builds an interactive communication bridge between Internet users all over the world. This measurement also means network marketing officially opened in Taiyuan.

5.1.2 Internal

5.1.2.1 Internet marketing channels

Due to the existence of the Internet environment, applying Internet in hotel marketing has become a common phenomenon and the most common way to appeal to potential customers. In general, there are three main channels for Internet marketing that are normally used by most of the local hotels.

In general, 20% of hotels in Taiyuan have their own websites and the majority of them are large hotel chains and famous domestic hotels. They usually publish the latest news and promotion information of hotels on its home page. Except that, customers are allowed to get more additional information about the hotel, for example, brand story, recruitment, contact information and so on. They also provide clients with online reservation on its home page, you can contact with their employees if you have something to consult when make a reservation, they will give you reply as quickly as they can.

The second channel is outsourcing. Hotels find and pay a specialized advertising agency to help them do its Internet marketing. Basically, outsourcing is more expensive than operating an official website independently. The Internet marketing agent will be responsible for displaying advertisement of hotels, however, this method can be an effective option only for hotels with a larger budget for their marketing.

With the development of Internet technology and electronic commerce industry popularization, the network business has affected the each field of social business. In recent years, the rest of the hotel emphasizes on constantly updating and strengthening their marketing strategy from traditional marketing pattern to electronic marketing pattern. In addition, they pay more attention to expanding its marketing through Hotel and Tourist service platforms, which takes advantage of developing domestic and international market.

Online Hotel and Tourist service websites are the good platforms that integrate high technology industry with traditional tourism industry successfully. They provide customers with hotel reservation, ticket reservation, group buying information, visa service, car renting service and other tourism service. Both of online Hotel and Tourist service websites have owned their personalized modern service system, which contains customer relationship management, e-booking system, order processing system and service quality monitor system for hotels. Depending on the advance service and management system, they are able to offer members with more convenient and highly effective service.

To be concluded, on the one hand, local hotels are able to improve brand value, control online reservation service by applying these three different channels. On the other hand, it is also an effective way to manage the information between suppliers, hotels and customers and realize of information sharing, resource sharing, clients sharing and mutual reservation successfully.

5.1.2.2   Online behaviour of hotel customers

After investigating about people's online activities, it shows that the main activities that people preferred on the Internet, including information search, social communication on Xiaonei.com, sina.com, chat on QQ, shopping on Taobao.com and Jindong.com, tourism service on the big scale website Qunar.cn, Ctrip.com, watches film on Tudou.com and be active on lots of Chinese group purchase websites meituan.com, lashou.com.

After interviewing, it proves that people pay more attention to hotel booking reservation than any other hotel online advertising, which contains the convenience of booking operation online, price, information security, one to one communication, and customer service quality. In addition to this, if people prefer purchasing hotel service online, there are various elements affecting customers' purchase behaviour, such as brand word of mouth, price and online service quality.

Currently, the primary and active group of net citizens is under 35 years old which accounts for more than two-thirds of the total number of Internet users. They are the main group using the Internet on mobile as well. Firstly, they seek for unique products and desire to experience the new life style and feelings. Secondly, the high speed rhythm of modern life makes more and more consumers appreciate their leisure time. They keep convenience as a goal when they do everything, so, pursuing time saving and labour cost saving is their permanent requirement for the online service.
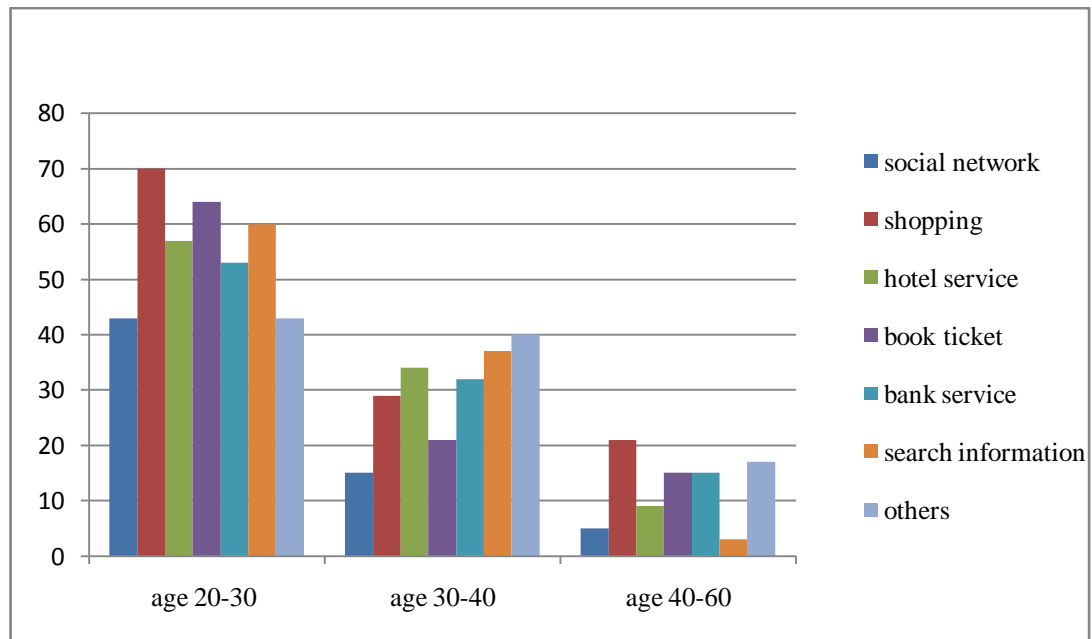
Figure 3. Main online activities among different hotel customers age groups(%)

5.2 SWOT analysis of Railway Hotel

SWOT analysis includes strengths, weakness, opportunity and threat analysis, which is an essential step before creating the proper marketing strategy for a marketing plan. In this chapter, it presents the specific analysis from these four sides.

5.2.1   Strengths

Superior geographic location
Firstly, Railway Hotel has a superior geographic location. It is located in the western part of Yinze Avenue. Yinze Avenue is the main traffic road throughout over around 50 roads from south, north, west and east direction in Taiyuan. If you start from Railway Hotel, it only takes you 3 minutes to high speedway, 15 minutes to centre of Taiyuan, 20 minutes to railway station and 30 minutes to the airport. It is facilitated with big local supermarket "Meet all" and a middle sized shopping mall near the hotel.

Secondly, it has well- equipped facilities. In 2008, Railway Hotel had invested approximately one million on refurbishing hotel's exterior decoration. Now, Railway

Hotel has facilities with restaurants, 160 guest rooms, entertainment places and 7 sized conference rooms. All of the conference rooms are furnished with a high - standard set of media facilities and the biggest one is capable of holding 300-guests meeting. The business centre offers many kinds of business amenities for executive travellers. All the guest rooms are equipped with central air-conditioner, international satellite TVs and broadband. The hotel also provides clients with various entertainment facilities, such as small market, KTV, card room, massage room and hairdressing room etc. With modern decoration, comfortable guest rooms, high quality food, a warm service and Railway Hotel is an ideal choice for visitors and business talks.

Thirdly, Railway Hotel persists in providing clients with high quality product and service at a value price. Service quality is a vital element to measure brand image of hotels. Railway Hotel is regarded as home to all the managers and employees. They both make efforts to make Railway Hotel better. The general manger treat employees as their family, they educate their employees that customers are also their family. "Do your best to give your family a comfortable home and they deserve your best service."

5.2.2   Weakness

First of all, Railway Hotel lacks of Internet marketing experiences. During the last five years, Railway Hotel has more experiences of practicing traditional marketing, such as TV advertising, newspaper advertising. But for Internet marketing, they only began to use this method since 2009. Railway Hotel had put their information on the most popular tourism service website and provided online booking service to online customers. But the fact is that due to consideration of the influence on the Hotel and Tourist service platform's brand image, they usually take some measurements to manage and balance advertisements among all the hotels. In order to win the Hotel and Tourist service platform market, these service websites always increase the price of the hotel to improve its brand level. The false price will have a negative effect on registered hotels. Because Railway Hotel is a newer in this area without enough experiences, only choosing this method is not a advisable choice for Railway Hotel for the next year.

Secondly, it lacks of professional information technology talents. Generally, there are an increasing number of Hotel and Tourist service platforms appearing in China over the years. It is difficult to choose the most effective and reliable Hotel and Tourist service platforms offering a safe and secure environment for hotel clients. In addition, the Hotel and Tourist service platforms commonly provide limited space to show a unique side of the company and differentiated service. Then, it will be necessary to hire professional people working on coping with information technology problems in the future and promoting the Internet marketing process of Railway Hotel.

5.2.3   Opportunities

According to the statistics, from January to October in 2011, Taiyuan City had receipted nearly 2.56 million tourists in total with an increase of 20.87% compared the same period in 2010. In which, includes 0.93 million Chinese tourists and 1.63 million foreigners. Annual total tourists' income reached 16.6 billion, which increased by 24.7% in 2007, while the foreign exchange income earns 1 billion with increased 50.4%. In particular, the main visitors come from Japan, South Korea, France, the United States, Germany, Mongolia, Singapore, Malaysia, Great Britain, Australia, Russia, Canada, Italy and Thailand. As estimated, there are a great many international visitors come to Taiyuan and it will inevitably enhance the development of hotel industry of Taiyuan in the next twenty years (Official statistics of National Tourism Administration of The People's Republic of China: February to October local reception situation 2011).

With the booming of Shanxi economy and Chinese national income increase, the demand of travelling will increase. As one of the pillar industries in tourism industry, hotel industry also welcomed a new period of development. With the building of the theme website "I found, JinShan JinMei (晋善晋美)" http://jsjm.sxta.com.cn portal, a great deal of floating people from other cities will visit Taiyuan for travelling. This website is a good platform to show the tourism resources of Shanxi to interest people, for instance, intangible cultural heritage and material culture heritage. By increasing of tourists amount, the hotel industry in Taiyuan will meet a great opportunity to mine more potential customers for Railway Hotel for the next couple of years.

Along with the popularization of the Internet, more and more people prefer to do everything online because of its convenient character. By the end of December 2011, the Chinese Internet population scales up to 513 million including 356 million Internet users on mobile devices that has grown at 17.5% annually. The population of new Internet users is 55.8 million, which is raised by 38.3% compared with the last year. Nowadays, China is already the largest market for using the Internet all over the world. According to the latest monitoring e-commerce sites data, it shows that net orders of Shanxi grow faster and it is ranked third among all the provinces in China, the growth rate of net orders is 159.2%. By the end of December, 2011, there are 14.05 million Internet users in Shanxi Province and Internet penetration reached 39.3% (Investigation shows that: the online shopping growth rate of Shanxi ranks the national third in China last year 2011).

5.2.4 Threats

In recent years, due to the rapidly growing number of local hotels, the majority of three star hotels has not only focused on improving service quality of hotels and satisfy its customers, but also paid more attention to hotels' marketing moves. To build hotels' brand recognition and awareness are becoming the primary task for all the same standard hotels. The biggest competitor for Railway Hotel is named Taixin Hotel and Yuyuan Hotel.

Taixin Hotel locates in eastern Yinze Avenue closer to the centre of Taiyuan and the distance between Railway Hotel and Taixin Hotel is only 1.5 kilometres. Yuyuan Hotel has 150 guest rooms and 4 conference rooms, which is qualified with the same scale with Railway Hotel. But the average price of rooms in Yuyuan Hotel is 200 CNY and Taixin Hotel is 180 CNY. In 2009, Taixin Hotels had tried to apply Internet marketing strategy to develop their online market.

Yuyuan Hotel had paid for outsourcing service for its online marketing. Hotel information of Yuyuan appeared in lots of Chinese popular third platform homepage, such as Ctrip.com, Yi-long.com and Qunar.com. Additionally, Yuyuan Hotel has built a long term relationship with room reservation service center. Their customers are al-

lowed to book rooms and pay it on Taobao.com which is a popular online shopping platform. All in all, the coverage of Internet application of Yuyuan Hotels is very wide. Compared with Yuyuan Hotel, Taixin Hotel has a highly intimate service attitude. When you book their hotel online, they will give you call in 2 hours to help you check your information and arrange and reserve a satisfactory room for you. Loyal customers of Taixin are self-travellers or family tourists. After several years, both of two hotels have achieved their goals in being attracting for more customers. But Railway Hotel is still on its exploring way for internet marketing approaches.

With China's accession to the World Trade Organization and global economic integration, hotels in Taiyuan face the resources and mutual market share in this kind of international competitive situation. There are many internationally well-known hotel groups sweeping into the local hotel market, for example, Super 8 and IBIS. They focus on low cost for them and a high value for customers to get their market share through setting up chains to achieve the scale economy and build its brand recognition. The entry of foreign hotel brands has a direct impact on local hotel market and management pattern.

As opening market policy and China enter into the World Trade Organization (WTO), many of foreign star hotel brands enter into the Chinese market, such as Holiday Hotel, Crown Hotel, Park Hyatts, Hyatt Regency Hotel and Sheraton. The competition is becoming increasingly fierce. Domestic star hotels are positioned at a disadvantage environment.

5.3 Campaign Objectives

Based on the market situational analysis of external and internal side and SWOT analysis of case company, it is essential to figure out the goal of an Internet marketing campaign during a given period for Railway Hotel, which can be focused on making efforts to maintain the relationship with loyal customers and increasing Railway Hotel brand reputation and brand awareness among the target customers in the target market. Besides, it aims at opening new distribution channels on the basis

of the original market and quickly to capture new market share to boost sales through the Internet.

To be detailed, the clear objectives of Railway Hotel can be described that: From July 15th 2012 to July 15th 2013, the occupancy rate of Railway Hotel reaches 80 percent increased by 10 percent compared the same period in 2011. The number of appealing new member will achieve 1000 individual customers and also try to achieve the direct communication with customers. In a word, the objectives of the Internet marketing campaign can be defined as: increase sales, create brand awareness, and attract more customers after implementing the Internet marketing campaign in Railway Hotel.

5.4 Campaign Strategy

According to the interview results with the managers and questionnaire results, the author has concluded and created the appreciated and proper campaign strategy from segmentation, targeting and positioning parts to provide a clear goal for this marketing campaign.

5.4.1 Segmentation

Based on the interview results with the managers, the main profit of Railway Hotel comes from room service, event organization and conference reception. After four years' improvement and perfection, Railway Hotel is qualified with higher standard equipment for all the visitors and business meetings.

According to the communication with customers, it shows that the main customers of Railway Hotel are self-travellers, businessmen, wedding people and enterprises. These customers are majorly Chinese and they have their own needs for choosing Railway Hotel. For example, self-travellers select Railway Hotel to stay is because of its reasonable price and a relatively comfortable environment. Businessmen are satisfied with its best geographic location, when they are on a business trip. Railway Hotel is the best place to transfer to the train station, high speed way and airport. Wedding people prefer value price of Railway Hotel for the wedding feast and relative

medium quality of food. Some enterprises are more caring about Railway Hotel's conference facilities and organizational service and Railway Hotel is a multi-functional place to supply accommodation service, catering service, leisure and entertainment service, tourism service and conference service. Both of the interviewees reflected Railway Hotel has a less price than the high and better service than the worse.

To be concluded, in Railway Hotel segmentation, customer segments can be categorized depending on the demographic segmentation, such as age, income and education and similarities of customers' requirements in value, needs and behaviour. During this Internet marketing campaign period, Railway Hotel will focus on developing the accommodation area and room service to appeal to the individual visitors to the hotel.

5.4.2 Targeting

It is discovered that the main online activities for hotel that came up in designed questionnaire, which contained visiting hotels' home page, searching hotel information, book hotels through Hotel and Tourist service platforms, concerning about a hotel's online promotion news and experience on mobile reservations.

Firstly, as a result of the difference between the ages of distribution, the age of the main groups who pay close attention to the hotel's online activities are between the age group 25 to 35 years old, which occupy 45% of total users. People above 25 to 35 years old have a couple of years work experience, whether their work position or income, they all have reached a steady level and they are able to afford Railway Hotel's services. Thus, they are the main and important individual consumers to Railway Hotel.

Secondly, the diversity of customer educational backgrounds has an effect on customers' online purchasing behaviour. Among 68 respondents, there are 66.3% people having higher education qualification and the majority of them graduating from high school, technical school and college. This type of consumer is familiar with comput-

er operation and Internet application than people with lower education background, they spend so much of their time on the Internet for their work and spare time.
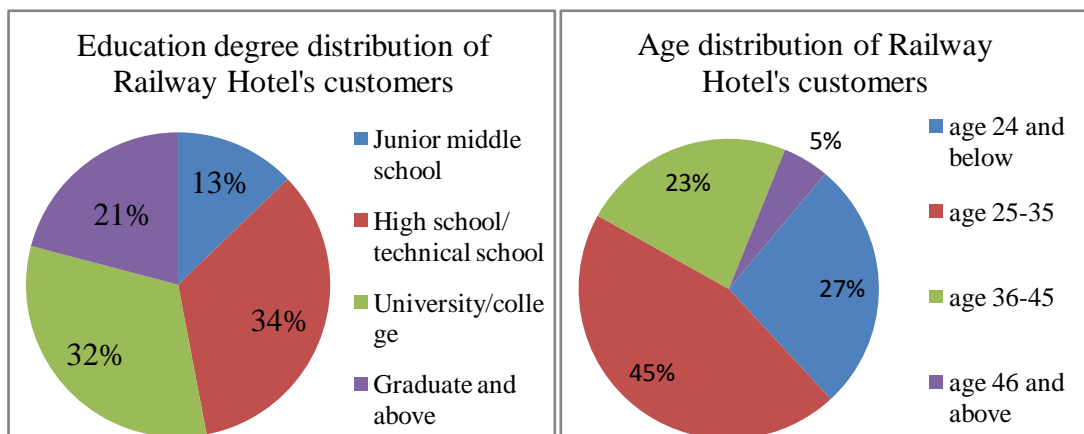

Figure 4. Age distribution and education degree distribution of Railway Hotel's customers

This newest campaign will be targeted working class, mass travellers, students whose age from 25 to 35 years old. They have a good educational background, income between 3000CNY to 5000CNY per month. The targeted group has higher requirements of economic, convenient online booking service, time-saving, good customer service features of modern hotel service. By searching information, booking hotels and joining hotels' promotion activity on the Internet, it is the best way to meet their expectations for hotel service. For the second targeted customers, when they need to choose a hotel online for their travelling, they will normally search a plenty of hotels and make a comparison for hotel's pictures, videos, and customers' feedback between all of them to select a hotel with valuable prizes. For instance, inexpensive price, excellent traffic, comfortable room facilities, good taste food and friendly service attitude are the key elements to measure before taking a final option on the Internet.

5.4.3   Positioning

Based on the interview results, 55.5% of hotel customers cared about price of hotel room service and 19.5% customers have a high request for traffic convenience. Nev-

ertheless, 19.2% of total clients pay attention to housekeeping service quality of hotel and 11.8% of them keep a watchful eye on the hotel's hygienic conditions. As Railway Hotel owns well-equipped facilities for accommodation and conference service, hence, value position of Railway Hotel brand are not only emphasized on low price, it also provides targeted customers with superior geographic location and premium quality service both on online booking and online communication customer service for choosing. Railway Hotel focuses on offering high quality, low price, warm, convenient, comfortable environment for all the customers, which contribute to establishing a modern economic business hotel for travellers and business meetings.

5.5 Media Planning

For different marketing objectives, some large scale companies may select the mass media strategies which implemented and supported by traditional marketing media and sale promotion in their Internet marketing solutions. Nowadays, the Internet technology is developing rapidly and the traditional marketing channels could not keep up with the development of the times.
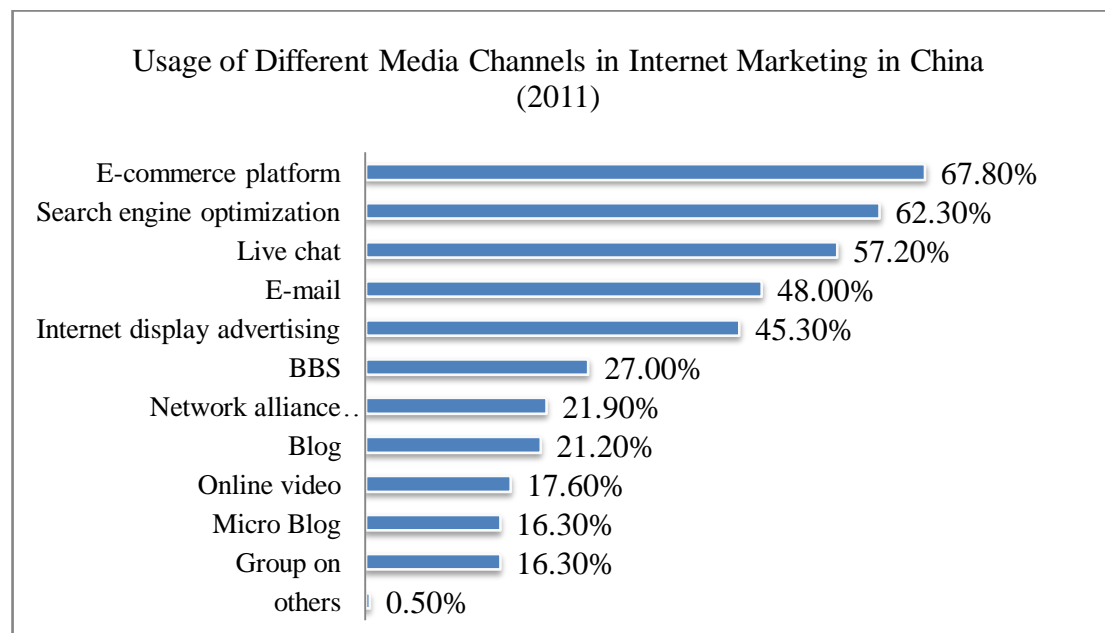

Figure 5. Primary marketing channels in SMEs' Internet marketing (Wu 2011)

In this case, the interview results indicate that with increasing amounts of net citizens and travellers, there are more and more people accept online hotel reservation service and promotion activity mainly including online booking, mobile phone reservation, online advertising and promotions. Whether a large hotel chain or medium hotels, they all strive to select a suitable and effective Internet distribution channel to at net citizen group to purchase their service, thus, most effective social media channels have been selected for Railway Hotel's Internet marketing campaign. Applying mainly micro blog, email, mobile phone and The third party network agents on Internet, regular emails and weekly news post on social media sites keep customers coming back again and again, it's not only attract website visitors and reduce marketing budgets, the primary purpose is to increase the quality of Railway Hotel online communication service, online booking experience and brand image.

5.5.1   Micro Blog

A new Web 2.0 based new media marketing model has emerged, micro blog. It is a totally new platform to show the company brand image and offers a more interactive and direct communication channel to company customers. The most popular micro blog all over the world is Twitter, however, due to the domestic information monitoring and audit mechanism is different in China, Twitter is not available for Chinese, therefore enterprise should choose a localized micro blog platform "Sina micro blog".

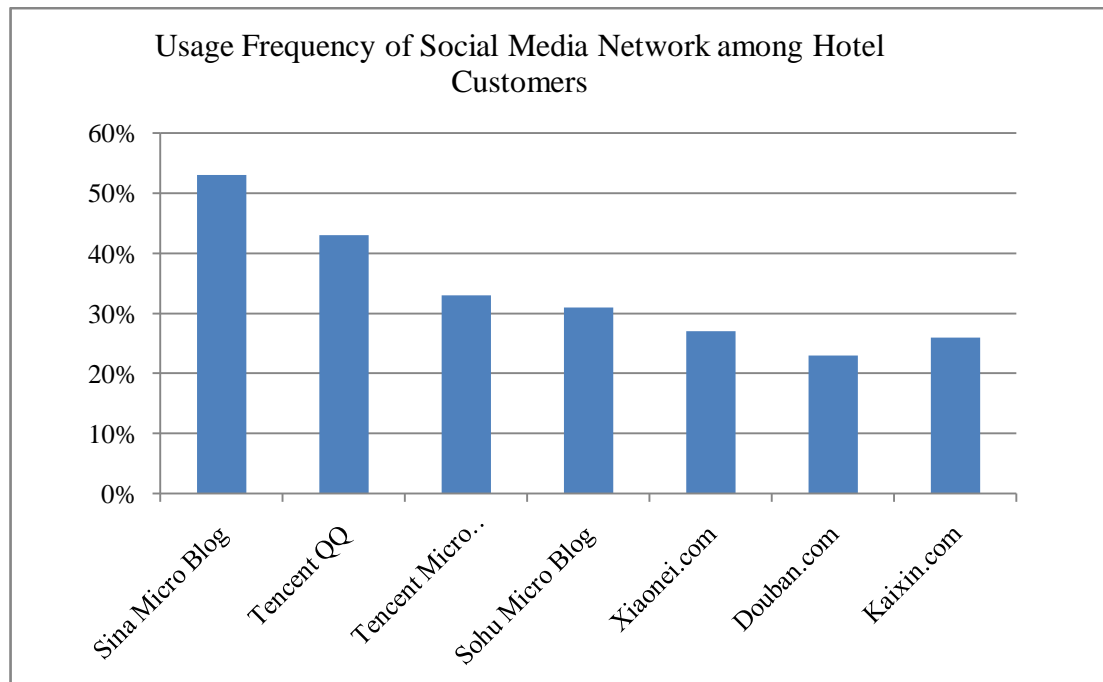**Usage Frequency of Social Media Network among Hotel Customers**

Figure 6. Usage frequency of social media network in Taiyuan

According to the questionnaire results, the Sina micro blog is a popular and commonly used micro blog application in China. Through using enterprise micro blog edition of Sina, a socialized professional network service platform especially for companies. Compared with the personal micro blog edition of Sina, enterprise micro blog edition of Sina provides more abundant personalized page display functions, more accurate analysis of data service and more efficient communication management platform with customers. Enterprises may depend on the individual requirements to use different models show news, products, service, culture, picture, videos etc. of the company. And build a certain well-known network brand to realize even more commercial value of micro blog displaying. Moreover, it makes possible to insight into attitudes consumers and find out the target customer. In this option, it is highly civilian and personality type in the social media area, which is more affinity compared with other patterns. From this point of view, as enterprise or individual, social media operation is more and more professional in recent years. (Website of the Sina micro blog 2012)

In this case, establishing "Sina enterprise micro blog" of Railway Hotel as the first media channel primarily aimed at obtaining public's attention to Railway Hotel and increased numbers of its fans at the beginning stage. Then, this platform provides

Railway Hotel with a timely and closer environment to communicate with its potential customers about their feedbacks and requirements. If Railway Hotel tries to operate a good micro blog organization, the wider market Railway Hotel can reach and the more chance of success it will have. This will give Railway Hotel a historical opportunity to realize the success of social media marketing and it will have a big influence and support on the hotel's brand reputation contribution.

5.5.2   Email

Email marketing can be defined as a process of sending a commercial message via email to a group of people who are current customers or potential customers for the purpose of developing relationships with them. It is considered as the most effective promotional tool with controlling costs and improving the speed of information release, many foreign high-tech enterprises and traditional enterprises with modern marketing consciousness have been applied email marketing as an organic part to increase sales and build customer loyalty in the network marketing plan.

Email marketing is still a kind of new marketing tool in China, even if it is needed to explore the effective method and useful strategy in the real market. At present, utilization of the email marketing tool is able to make a contribution to hotel marketing study, customer service and expand brand awareness. The most effective way to use email marketing is to encourage potential customers to provide your company with their email address. Even though hotels are able to obtain a lot of personal email addresses through a variety of channels, but it is not meant that customers necessarily need hotel information. Therefore, it is easy to lead people having a bad impression of the hotel's brand image.

In this option, Railway Hotel is able to send hotel newsletters, promotional sales information and advertisements. For particular groups or individuals, offering them special service for their birthday or festival is the best practice of personalized email marketing.

5.5.3 Hotel and Tourist service platforms

Hotel & Tourist service platform is a new online platform that offers hotels an innovative and integrated management service to do their online booking service and marketing with lower investment. By December 31, 2010, the total number of Chinese online tourism website is 50,828, 12,830 are the third platform service agency website, such as, Qunar.com, Kuxun.cn, ctrip.com, 17u.cn, and mangocity.com. According to Ereli consulting statistics, the turnover of hotels' online trade is approximately 459.6 billion CNY, it occupied 44.3% of the whole online tourism product in 2010. Tickets and holiday product respectively reached 44.2% and 11.5% (Li 2011, 1-2).

In this option, hotels can update their basic information, pictures and videos, respond to consumer comments actively, and master the latest trends in the hotel market. Particularly, some third party online booking platforms provide hotels with real-time monitoring dynamics of local competitor's service. Also, it offers face to face trading between customers and hotels. In addition to giving free online promotion supports, they make efforts to maximize returns for hotels which can be presented that these online service platforms can deliver the most appropriate room with the most suitable price to the right customers by right channel in a right time.

5.6 Campaign Implementation

The planned Internet marketing campaign with a mix of social network site (SNS), email newsletter, Internet display advertising and Hotel & Tourist service platforms participating will be the first campaign practice in Railway Hotel. The practiced running time for this campaign is a whole year and it began from July 15th strongly suggested that Railway Hotel should launch a totally new campaign. The target group for this marketing plan will be individual tourist and business travellers in the age of 25-35 years old.

First of all, the key objective for this activity is firstly to strengthen interactive communication between customers and case hotel to promote the quality of customer service by applying cost-effective media channels. Then, it focuses on improving

Railway Hotel brand awareness among target customers. Thirdly, it expects that people could visit there and increase the room occupancy and new members. Railway Hotel is a highly valuable and comfortable place to stay when people come to Shanxi for individual travelling and business talk, which directly raise sales. Launching this Internet marketing campaign was separated into two periods and each period has its certain and specific plans.
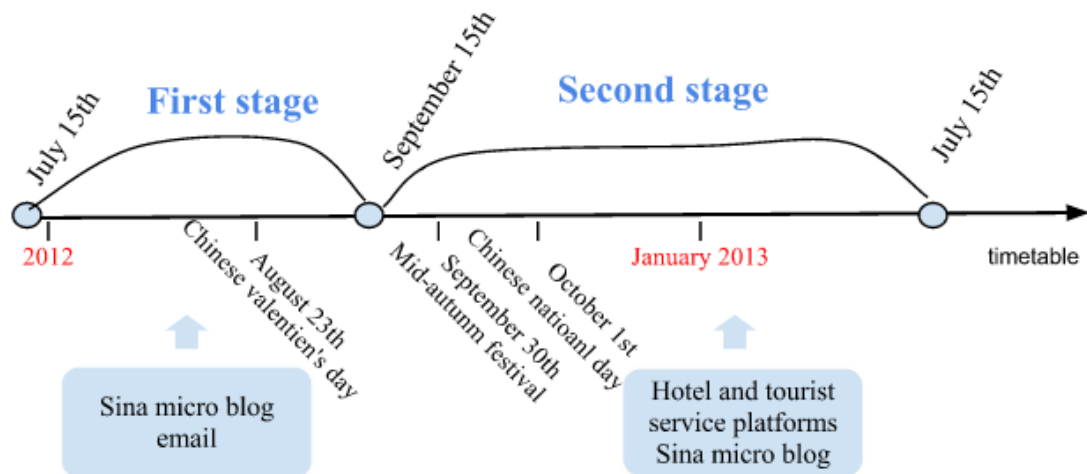

Figure 7. Milestones of implementing the planned Internet marketing campaign for Railway Hotel (15.7.2012-15.7.2013)

5.6.1   First stage of campaign

It started from July 15th 2012 and complete on September 15th 2012 and this period is the beginning and preparation stage of the whole Internet marketing plan. The key goal of this short period is to expand the Railway Hotel brand information in social networks, advertise this brand and establish an opening social network platform to promote interactive communication with potential customers. During this time, micro blog and email are the primary applications to select for implementing the campaign in a national range.

5.6.1.1   Micro Blog

At the beginning stage, Railway Hotel should create professional and enterprise edition micro blog account of Sina to generate new customers. It will help the case company to reach the goals of convenient and interactive communication with the target users and also enhance the marketing effect transformation and mining more business opportunities.

The most vital step after owning Railway Hotel home page is to make company profile one hundred percent complete, which is the only way to increase the brand visibility and credibility. A strategic investment of this time is focused on managing daily blogs and attracting potential customers. In this regard, Railway Hotel could give a detailed introduction to its brand history, management idea, value, service and other unique characters. In the end, it is necessary to put keyword that is able to describe competitive superiorities of Railway Hotel. For instance, historical hotel established in 1988, three started hotel, leading brand in Taiyuan, superior geographical location, central business district, 160 guest rooms, 7 sized conference rooms for 300 guests and 10 percent discount for members etc. These kinds of information are people's first impression on Railway Hotel that could be absolutely reliable without any exaggerations.

The second step is to be properly active in updating micro blogs every single day. As a full-time operator, he or she should create interesting and popular topics for interested person to focus on and communicate interactively. The final goal of all the measures is to let fans stay and form an influential community. As time passes, community organized by Railway Hotel will have a great deal of people to follow and team will grow rapidly. During this stage, the worst and failure practices are needed to abandon includes regarding micro blog as advertising center putting all the advertisements all the time, giving it up halfway without insisting or publishing micro blog without regular, for example, 100 micro blogs were published tomorrow, but nothing publishes for next one week. All these appearances have a negative impact on Railway Hotel's brand image, which gave a bad impression to the fans. In order to set up a high level and customer-focused culture within a micro blog website of Railway Hotel, Railway Hotel should concern about the quality of published mi-

cro blogs. Depending on different marketing requirements of Railway Hotel, it can probably achieve through various descriptions on its micro blog account.

Table 2. Using a micro blog for various requirements

Marketing Requirement	Using a micro blog in different ways
Customer relationship maintenance	- We are pleased to receive your booking here and give you a reply to confirm your booking information on first time.@ Railway Hotel - Hope you have a great weekend and show your wonderful holiday photos @ Railway Hotel
Service quality improvement	- What is your favourite and expected "dream hotel"? What is it looking like? @Railway Hotel - There are lots of hotels have advanced checkout time, what is your opinion? Do you think it is reasonable? @Railway Hotel
Enterprise exposure boost	@ Railway Hotel Kathy she had successfully chosen to participate in a show of "China Voice", let us celebrate!
Brand story	Railway Hotel was established in 1988 in Taiyuan, which is a tourism city in Shanxi. Before 1995, it is not a famous hotel in a Taiyuan, but the leaders of Railway Hotel insist on exploring the new and innovative way to enhance service and management team. After
Promotional sales	If you share and forward this blog to 10 friends, you will have a chance to get a free and wonderful experience in Railway Hotel

Then, Railway Hotel should be the fans of "hotel focus group" or "tourism focus group" and actively participate in their discussions and share their blogs. People who concentrate on this type of discussion will indirectly notice Railway Hotel. Without a doubt, generating the credibility through giving answers to individual's problems and being free to offer reliable recommendations on questions that Railway Hotel is familiar with is a best choice to win a good reputation in the hotel area. Except that, Railway Hotel is able to acknowledge about the latest hotel industry market all over China. It will become a perfect platform to learn and communicate successful practices with other hotels or hotel experts in the hotel industry.

After one month operating of micro blog, it is time for Railway Hotel to promote events on micro blog, which take advantage of the marketing functions of micro blog and become a new online distribution channel. Not only utilization of micro blog will achieve the goal by saving time and budget, but also it is capable to get ideas about the interests of potential customers and feedbacks on events. When Chinese Valentine's Day comes, a Chinese Valentine day in August 23th 2012, Railway Hotel should prepare micro blog promotion event which is named "Love in Chinese Valentine's Day, Meet in Railway Hotel" before one week. During this period, Railway Hotel could create an interactive discussion of the Chinese Valentine's Day festival and publish the specific information for this promotional event, includes the starting and ending date, participating requirements and how to apply this activity.

5.6.1.2   Email newsletter

Email newsletter is defined as an email sent by a business that company announce about new products, services and promotional information. Besides, it is essential to offer loyal customers with greetings for festival and birthday blessing. And also customer feedback with rewarding points which used to have a discount with your accommodations.

First of all, it requires that Railway Hotel makes efforts to conduct a careful analysis and strict examination of their customers' database and it is essential to select the targeted and loyalty customers to send emails according to information on

individuals or groups, which means to enhance the quality on email delivery. As a matter of fact, their email recipients can be divided into two primary groups containing loyalty customers and micro blog fans.

Then, there are various aspects should be considered while creating the content of an e-mail, for instance, accurate expression, text design, background pictures. So, Railway Hotel should better segment their email lists to provide more relevant content with the target groups and it is necessary to design email in an attractive way with entertainment, vitality and creativity. When Railway Hotel edits or design layout, they should concern that it is critical to make the point in the beginning lines and be clear and understandable.

Thirdly, it is recommended that case company should add popular social media tabs on its email newsletter, which encourages subscribers to sign up social network website to share the interested news with friends and lead even more people to notice event topics. Additionally, it is needed to offer incentives to followers who share or forward emails to others via social media tabs. For example, 10 percent coupons or 50 CNY cash coupons.

Furthermore, when Railway Hotel plans an event email, they should consider optimizing emails on smart phones. Nowadays, mobile email usage frequency has a significant increase nearly recent years. Checking and replying emails base on web-based mobile is the most common method for mobile users. For this reason, designers of email newsletters need to make certainly sure that this email message is able to read both on computers and mobile devices.

In the same period, Railway Hotel should send email newsletters to spread the event "Love in the Chinese Valentine's day, Meet in Railway Hotel", which provides focus groups with emails to invite them to join in this activity. (Appendix 3)

5.6.2   Second stage of campaign

The second period started from September 15th 2012 and the mission of this period still aims at increasing Railway Hotel's brand awareness continually and promoting marketing sales through using the third party service platforms and micro blog promoting in next half year's Internet marketing campaign. The well-known famous festivals happen in this period, which is a Chinese national day and the mid autumn festival. Normally, there are lots of people will have eight days' holiday which is rare for Chinese office workers in a whole year and the majority of them will grasp this chance to plan a trip with the family. This is the best opportunity for hotels publishing promotional special offers on the Internet that stimulate sales.

5.6.2.1   The previous failure of Hotel and Tourist service platform analysis

Before taking effective actions on these websites, it would be much better if Railway Hotel analyze the possibility of previous failure practices. Firstly, the amount of third parties which providing internet-based service for Hotel companies to indirectly online booking service and display advertising generate rapidly. It is difficult to choose the most effective and reliable third-party offering safe and secure environment for hotel clients. Secondly, due to consideration of the influence of Hotel and Tourist service platform brand image, they usually take some measurements to manage and balance advertisements among all the hotels, like increase price of hotels. It will make a negative effect on the reputation of the hotel. Thirdly, this Hotel and Tourist service platform provides limited space to show unique side and differentiated service of the company, since there are too many competitors participating to show theirs. There is not enough space to put on too much word description.

5.6.2.2   The future recommendations

Generally, an effective online experience is affected by many factors, including the visual elements of information display, timeliness and reliability of news, and operational performance. For the purpose of perfecting the Hotel & Tourist service

platform service for Railway Hotel, case company should should first offer high quality picture and video to show the detailed introduction of Hotels' unique service and comfortable environment and update regularly, such as, hotel address, hotel description, hotel phonograph and hotel location map. Then, it is indispensable that provide even more promotional information on third party service platforms. Moreover, the advertisement of Railway Hotel should not only appear in the hotel page, but also shows them in Travel, Fly search, Train ticket search and Group-buying pages to increase brand awareness.(Exppendix 4) Finally, it is advisable to develop a partnership with same level hotels in the same region and create new rules for the lowest price, which aims at competing against the monopoly on low price.

During the second period, Qunar.com, tuniu.com and Ctrip.com are chosen for using brand promotion for Railway Hotel. These third party travel service platform are well-know websites in China, for example, Ctrip has established for 13 years, which the amount of members has obtained 50 million and tuniu.com just set up for 5 years, the numbers of active users are over 0.5 million. Currently, Qunar is one of the world's leading Chinese online travel website and the monthly access users already amounted to 59.55 million, which has a large customer base among other Chinese online travel service websites. In order to enhance the possibility of reaching such a huge number of customers, Railway Hotel should collaborate with the recommended online service platforms by publishing advertisements via their homepages.

6 INTERNET MARKETING EVALUATION

So far, micro blog marketing has obviously had an effect on improving the efficiency of Railway Hotel customer communication service and company brand expansion. Customer reflected that they were appreciated online interaction and there was no limitation of time and place. It is really convenient to leave a message on the micro blog to check the details of hotel events. And they were happy to get enough information about Shanxi tourism. Based on data analysing results from Sina's enterprise micro blog application, it is easier to notice that during 8-days' national holiday, Railway Hotel micro blog had exposure 1386 times and activity rate of the

fan is going up to 92.7% and the satisfactory rate of online booking service has increased 1.2% . Although micro blog just runs for more than two months, the quantity of fans has reached 400. Specifically, the majority of them are active fans from outside cities and the local fans occupied a small proportion. As the target customers of Railway Hotel are the outside customers throughout the country and satisfied present situations, the micro marketing strategy is really appreciated approach to Railway Hotel. But, in store promotional sales of Railway Hotel had only increased 3.5 percent in the online distribution channel during the first period. Even though it has an optimistic influence on brand recognition to a large extent, the occupancy rate of rooms was not increased as expected. From this point of view, this campaign will have more space to improve in the future.

Consequently, Railway Hotel had entered into the online tourism market through this Internet marketing campaign successfully, there are over 400 customers increased to know this brand. It also proves that the approach of an Internet marketing campaign effectively created Railway Hotel brand value, increased the brand reputation and sales. On the other hand, the development of Internet marketing is the most widely and effective ways to influence consumers to purchase services online and communicate with Railway Hotel closely. To some extent, Railway Hotel has grabbed this great opportunity that is marketing its brand online and increase sales among the various competing hotels. In future, Railway Hotel should concentrate on increasing sales by expanding its brand on various online distribution channels, such as; Taobao and Jindon which are the most successful e-commerce platform in China.

7 CONCLUSION

As a whole, there are numbers of limitations for this study. First of all, because of the time limitation and other factors, the number of participants in interviews and questionnaire seems smaller compared with other studies. Secondly, this study is concentrated on an Internet marketing campaign for small and medium sized companies and the strategy and measurements are suitable for this kind of companies, for companies with different scope should take a deeper consideration for

undertaking an Internet marketing campaign from wide fields. Thirdly, even though this Internet marketing campaign succeeds at this moment and gets more clients appeal, but the sustainable profitability also needs to spend time to test in the future, since it is difficult to predict the future. By changing in market demands and other factors may have an influence on the marketing strategy and objectives and the result of an Internet marketing campaign will vary over time. Lastly, expenditure of this time marketing campaign is not mentioned here, since this thesis is focused on how to choose the right market and correct target groups, then manage and implement a successful Internet marketing campaign.

There is no doubt that Internet marketing is an effective tool for a great deal of businesses to achieve their business goals and marketing objectives. But in essence, everything has its two sides. On one side, Internet marketing costs a lot of money in initial investment and maintenance requirements, to some extent, the profitable effects are not apparent as expected. As a matter of fact, the nature of the competitive environment is open and public and with the rapid development of information technology, Internet marketing strategy will unavoidably encounter many risks from its market and competitors. Organizing a successful multimedia Internet marketing campaign is not an easy task for many enterprises. On the other side, creating an effective Internet marketing campaign is still a very interesting area for scholars, the topic observing the different influence using diverse media channels both in relations and profits aspects in a long-term and short-term period has more spaces to study.

To conclude, it is necessary to make an accurate decision on marketing position and shaping a unique brand image reflecting the differentiated characteristics for every hotel in Taiyuan. By using Internet marketing and exploring innovative way to service Hotels is primary mission to further enhance local hotels' service quality and brand position in the time of information technology rapid growth. Moreover, entrance of WTO and high-rapid development of the local tourism industry provides a good external environment to Taiyuan to grasp the opportunity and accept the challenge in the future.

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Interview with manager about Railway Hotel's background information

1.   Company situation

   a)   Was Railway Hotel going well and profitable in the last year?

   b)   How is the occupancy rate from 2010 to 2011?

   c)   What are Railway Hotel's the most advantages compared with local competitors?

   d)   Has the company used Internet marketing campaign successfully in previous years?

   e)   What is the problem that companies meet when applied Internet marketing?

2.   What are the Railway Hotel's marketing objectives of 2011?

3.   What is Railway Hotel's expected marketing objectives for 2012?

4.   Marketing strategy

   a)   What is the company's market segmentation in Taiyuan market?

   b)   Who is the target group in the target market?

   c)   What is the market positioning for the Railway Hotel's product and service?

5.   What kinds of media applications that Railway Hotel used and did they achieve the marketing objectives?

6.   Have you met problems when implemented Internet marketing campaign last year?

Questionnaire about hotel customers' online activity

Hotel Customers' Online Behaviour and Activity Questionnaire

"Get your fortunes told, it only takes a minute"

○FAMLE   ○MALE

Age: ○20- 30   ○31-40   ○40 and above

E-mail:

Job:

Your educational degree:

    ○Junior middle school

    ○High school/ technical school

    ○University/college

    ○Graduate and above

  a) *How did you know Railway Hotel? By which channel?*
    ○Friend recommendation
    ○Online search
    ○Hotel reservation center
    ○Other

7. *Do you like surfing on the Internet and which way do you prefer?*
    ○Mobile
    ○PC

8. *How many times are you online in one week?*
    ○7 hours
    ○8-15 hours
    ○More than 16 hours

9. *Which websites do you often visit?*
    ○Sina.com
    ○Qunar.com
    ○Lashou.com
    ○Taobao.com
    ○Jindong.com
    ○others

10. *What are your main online activities?*
    ○Information search
    ○Chatting, game
    ○Bank service
    ○Social network (renren.com, QQ, micro blog, etc.)
    ○Ticket service
    ○Shopping
    ○Hotel reservation
    ○Check emails
    ○Other

11. How often do you check your email?
  ○Every single day
  ○Two times a week
  ○More than two times a week
12. Do you have experience on online reservation for hotels? Is that good?
  ○Yes
  ○No, describe
13. What is the primary reason that makes you choose Railway Hotel?
  ○Service
  ○Price
  ○Facility
  ○Environment
14. Are you satisfied with its service?
  ○Yes
  ○No, explain.
15. Could you give recommendations for Railway Hotel to improve?

Thank you for your supporting, we will do the best for you.

Railway Hotel

Email newsletter design

Group-buying page design