

Mai DinhQuynh

Hotel Online Marketing

The Bugibba Hotel, Preluna Hotel& SPA, Radisson Blu Resort Malta, St. Julian's

Thesis

Kajaani University of Applied Sciences

School of Business

Degree of Tourism Management

01/11/2013



| | |
|---|---|
| School School of Tourism | Degree Programme Degree Programme in Tourism |
| Author(s) Mai DinhQuynh | |
| Title Hotel Online Marketing: The Bugibba Hotel, Preluna Hotel& SPA, Radisson Blu Resort Malta, St. Julian's | |
| Optional Professional Studies | Supervisor(s) PerttuHuusko |
| | Commissioned by |
| Date 01/11/2013 | Total Number of Pages and Appendices 48+ Appendices |
| <p>The thesis covers the study of online marketing theory, a very popular trend of marketing nowadays, especially Search Engine Optimization (SEO) and Google Adwords Campaign in the analyses of the online marketing practices of three hotels from different areas and standards in Malta, namely The Bugibba Hotel, Preluna Hotel & SPA and Radisson Blu Resort Malta, St. Julian's.</p> <p>From the analyses, the thesis aims at suggesting Preluna Hotel & SPA optimal online marketing practices and answering the question "Do high focus and inputs on online marketing bring high level of efficiency?".</p> <p>The thesis consists of research on gathering literature, concepts of online marketing and trendy online marketing practices, current performance of three researched hotels' online marketing practices. In order to obtain the necessary figures for the analysis, numerous accounting calculations were done based on the statistics being revealed by the three hotels.</p> <p>After the analyses, the ideas to improve the online marketing practices of Preluna Hotel & SPA were proposed. The analyses also revealed that The Bugibba Hotel, although having the lowest standard and investing the least in its online marketing among three hotels, had the highest online direct sales. This is also the answer to the research question, which is high standard online marketing is not the determining factor that leads to high level of efficiency, in the case of the researched hotels.</p> | |
| Language of Thesis | English |
| Keywords | Online Marketing, Search Engine Marketing, Search Engine Optimization, Email Marketing, Social Media Channels, Customer Relationship Management, Google |
| Deposited at | <input type="checkbox"/> Electronic library Theseus <input type="checkbox"/> Kajaanin University of Applied Sciences Library |

PREFACE

This thesis is dedicated to my parents, my sister and brother, who have always been supporting and placing hope in me no matter what.

My gratitude also goes to all the friends who have been there for me when I need them the most.

I also have to thank Daniel Diosi for his precious assistance in providing me with statistics related to three hotels and his advice on online marketing so that I could conduct this research paper satisfactorily.

“It always seems impossible until it’s done.” –Nelson Mandela.

Contents

| | |
|--|----|
| LIST OF FIGURES AND TABLES | 1 |
| 1 INTRODUCTION..... | 1 |
| 2 RESEARCH PRACTICAL BACKGROUND | 2 |
| 2.1 Tourism market in Malta | 2 |
| 2.2 Studied hotels | 6 |
| 2.2.1 The Bugibba Hotel..... | 7 |
| 2.2.2 Radisson Blu resort Malta, St. Julian’s..... | 8 |
| 2.2.3 Preluna Hotel & SPA..... | 9 |
| 3 RESEARCH THEORETICAL BACKGROUND..... | 11 |
| 3.1 Marketing | 11 |
| 3.2 Online marketing..... | 12 |
| 3.2.1 General online marketing stages..... | 12 |
| 3.2.2 Online marketing practices | 13 |
| 4 HOTELS’ ONLINE MARKETING PRACTICES ANALYSIS..... | 19 |
| 4.1 The Bugibba Hotel | 22 |
| 4.1.1 Email marketing..... | 22 |
| 4.1.2 Search Engine Marketing (SEM)..... | 22 |
| 4.1.3 Social media channel | 26 |
| 4.1.4 Customer Relationship Management (CRM) | 26 |
| 4.1.5 Summary | 27 |
| 4.2 Radisson Blu Resort Malta, St. Julian’s..... | 28 |
| 4.2.1 Email marketing..... | 28 |
| 4.2.2 Search Engine Marketing (SEM)..... | 29 |
| 4.2.3 Social media channel | 31 |
| 4.2.4 Customer Relationship Management (CRM) | 31 |
| 4.2.5 Summary | 32 |
| 4.3 Preluna Hotel & SPA | 33 |
| 4.3.1 Email marketing..... | 33 |
| 4.3.2 Search Engine Marketing (SEM)..... | 34 |
| 4.3.3 Social media channel | 36 |
| 4.3.4 Customer Relationship Management (CRM) | 37 |
| 4.3.5 Pricing strategy..... | 38 |
| 4.3.6 Summary | 40 |
| 5 THE LINK BETWEEN ONLINE MARKETING INPUT AND EFFICIENCY | 41 |

| | |
|---|----|
| 6 SUGGESTIONS FOR PRELUNA HOTEL & SPA | 44 |
| 6.1 Suggestions to improve online marketing practices | 44 |
| 6.2 Feasibility of suggestions for improvement..... | 47 |
| 7 CONCLUSION..... | 48 |
| SOURCES..... | 49 |
| LIST OF APPENDICES | 1 |

LIST OF FIGURES AND TABLES

Figure 1: Malta's geographical location

Figure 2: Tourism statistic in Malta (MTA 2012, 2)

Figure 3: Popular locality stayed in in Malta (MTA 2012, 37)

Figure 4: Booking arrangement to Malta (MTA 2012, 25)

Table 5: Ranking of The Bugibba Hotel on different travel websites

Table 6: Ranking of Radisson Blu Resort, St. Julian's on different travel websites

Table 7: Ranking of Preluna Hotl& SPA on different travel websites

Figure 8: Marketing's key processes

Figure 9: The use of social media marketing (Sarah et al 2011, 372)

Figure 10: The Bugibba Hotel website visibility (Browser Size tool)

Table 11: Keyword Analysis The Bugibba Hotel (Keyword Planner tool and Keyword Density Analyzer tool)

Figure 12: Search terms popularity checked by Google Trends

Figure 13: Traveller Rating on TripAdvisor- The Bugibba Hotel (2008-2013)

Table 14: Summary of The Bugibba Hotel's online marketing practices performance

Figure 15: The Radisson Blu Resort Malta website visibility (Browser Tool)

Table 16: Keyword Analysis The Radisson Blu Resort Malta (Keyword Planner tool and Keyword Density Analyzer tool)

Figure 17: Traveller Rating on TripAdvisor- The Radisson Blu Resort Malta (2004-2013)

Table 18: Summary of Radisson Blu Resort Malta, St. Julians' online marketing practices performance

Figure 19: Preluna Hotel & SPA newsletter overview MailChimp report

Figure 20: Preluna Hotel & SPA website visibility (Browser Size tool)

Table 21: Keyword Analysis Preluna Hotel & SPA (Keyword Planner tool and Keyword Density Analyzer tool)

Figure 22: Traveller Rating on TripAdvisor- Preluna Hotel & SPA (2003-2013)

Table 23: Summary of Preluna Hotel & SPA online marketing practices performance

Table 24: Comparison of the online marketing practices efficiency and effectiveness of The Bugibba Hotel, Radisson Blu Resort Malta St. Julians' Preluna Hotel & SPA

Figure 25: Preluna Hotel & SPA website homepage (till May 2013)

Figure 26: Preluna Hotel & SPA website, Accommodation section (till May 2013)

Figure 27: Suggestion to change section "Accommodation" of Preluna Hotel & SPA website

1 INTRODUCTION

As the tourism industry is flourishing globally and with the developing pace of life, people can easily book an accommodation at hotels by simply clicking on the internet, or through tour operators and travel agencies. As a matter of fact, the tour operators or travel agencies act as the intermediaries between clients and hotels, whose duty it is to sell rooms for the hotels based on agreed contracts, yet obviously with commission. Meanwhile, it will be certainly more profitable for the hotels to have more clients booking directly, which automatically leads to the competition between hotels and their room brokers- tour operators and travel agencies. Besides, there is the obvious competition amongst hotels in the same standard, operating in the similar market and located in the same region. This is the point where the attractiveness of the hotel itself plays the determining role in helping it get more direct bookings. In order to promote the hotel's attractiveness and to sell it, the hotel marketing work definitely serves an essential function. In this thesis, the topic mainly focuses on the significance of hotel online marketing, since this is the case noticed in the Preluna Hotel& SPA, the author's practical training place.

Therefore, to gather the good strategies and recommend Preluna Hotel& SPA the optimal online marketing and online pricing strategies for its market, the thesis researched the online marketing practices of three hotels in different standards and with variant target customers. The thesis thus aims at answering the question "Do high focus and inputs on online marketing bring high level of efficiency?", through the comparison amongst online marketing methods of three hotels in three different standards and markets, which are The Bugibba Hotel, Preluna Hotel& SPA- mainly and Radisson Blu resort Malta, St. Julian's.

The thesis is structured to provide the practical background of the research hotels, the theoretical background on which the thesis is based, the analysis of the hotels, suggestions for Preluna Hotel & SPA and the conclusion for the research problem.

2 RESEARCH PRACTICAL BACKGROUND

Since the thesis's target is to designate the optimal online marketing methods for the Preluna Hotel& SPA based on the studies of the hotel itself and other two hotels based in Malta, this part of the paper is to describe the whole picture of the Maltese tourism market with keysegments and trend of visitors, as well as the overviews of the three mentioned hotels.

2.1 Tourism market in Malta

Geographically, Malta is located in the centre of the Mediterranean Sea, 93 km south of Sicily and 288 km North of Africa. The Maltese archipelago encompasses three islands named Malta, Gozo and Comino with a total population of more than 400,000 inhabitants occupying an area of 316 square kilometres (Figure 1).



Figure 1: Malta's geographical location

Amongst the three islands, Malta is the biggest and the cultural and administrative centre with the capital city of Valletta, which has been declared the European Capital of Culture for

the year 2018 by the Council of Ministers of the European Union on 17th May 2013. Meanwhile, Gozo is more rural and identified by fishing, tourism, crafts and agriculture and Comino, the smallest island, is mostly not inhabited and holds one hotel.

As Malta is characterized by its subtropical-Mediterranean climate with mild winters and warm summers, attractive beaches, flourishing nightlife and beguiling history of 7,000 years, it attracts a large number of tourists every year. It has been researched by the Ministry for Tourism, Culture and the Environment that the islands majorly provides services of Sun and Sea, Meetings- Incentives- Conferences- Entertainment (MICE), Learning English as a Foreign Language, Culture, Gozo holidays and Sport and Cruise (MTA 2012, 20).

Tourism in Malta is said to be very seasonal, with the majority of tourists arriving between May and October. In 2009, Malta saw around 46% of tourist arrivals during February to June and October, 36% during July to September, which leaves 18% arriving from November to January. (Suhejla Hoti 2005, 7)

According to the statistics provided by the Research Unit of the Malta Tourism Authority (MTA), in 2012, Malta saw 1.4 million tourists of majorly 45 to more than 65 years old from mainly UK, Italy, Germany, Nordic countries and France, which recorded an increase of 2.0% compared to the year 2011.

Besides, over a five-year span from 2007 to 2012, the islands witnessed an average annual growth rate of over 3% (MTA 2012, 2). Tourism industry therefore has been acknowledged as a major contributor to the national economy with nearly 28% of the total national GDP in 2011 (World Travel & Tourism Council 2012, 1).

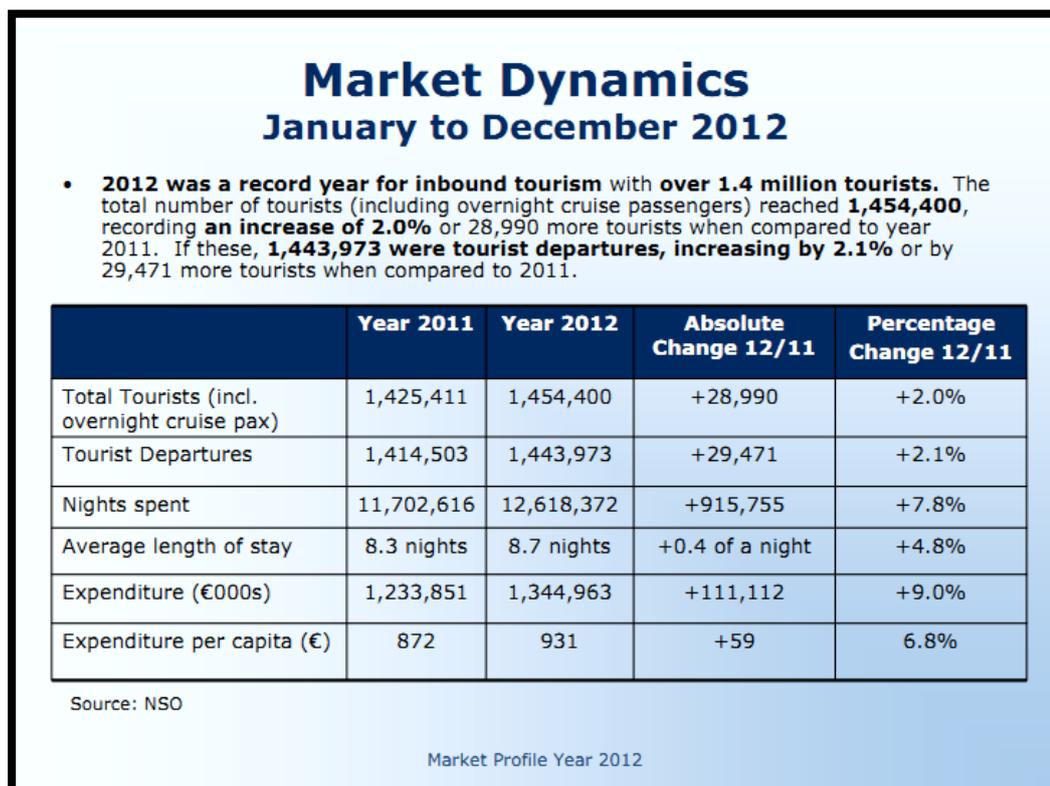


Figure 2: Tourism statistic in Malta (MTA 2012, 2)

Well-known in Europe as an attractive tourism destination, the Maltese islands hold a large number of hotels and guest houses of different standards, approximately 250 establishments, with the capacity of approximately 45,000 beds (MTA 2012, 36). These accommodation establishments spread over the archipelago, however, the tourists were recorded to stay mainly in St. Paul Bay area, which accounted for 29.5%, followed by 20.9% staying in the Sliema area (MTA2012,37).

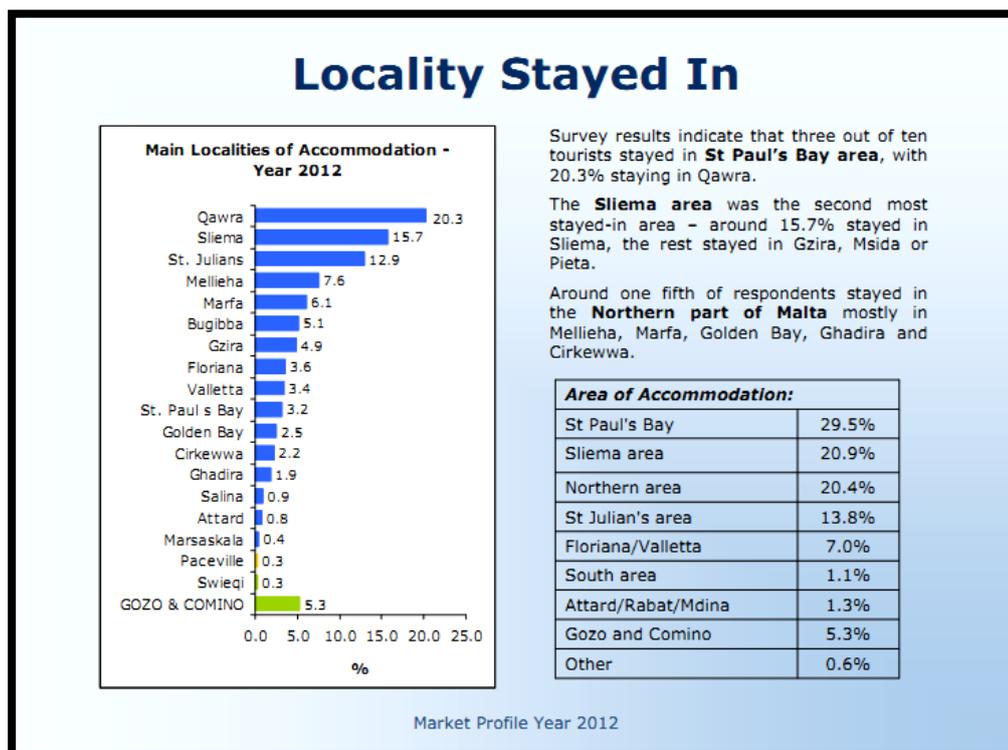


Figure 3: Popular locality stayed in in Malta (MTA 2012, 37)

Besides the trends of visitors and locations stayed in, in 2012, Malta also saw the trend of holiday booking from its tourists, which is mostly through tour operators or travel agencies accounting for 51.1% of the total bookings, followed by 28.2% of direct bookings with suppliers and a proportion of 24.6% for the bookings on exclusively internet-based travel operator (MTA2012, 25). It can hence be stated that tour operators and travel agencies serve a crucial function in bringing visitors to the Maltese islands, which obviously highlights the competition between these tourism intermediaries and the tourism services suppliers such as hotels or restaurants.

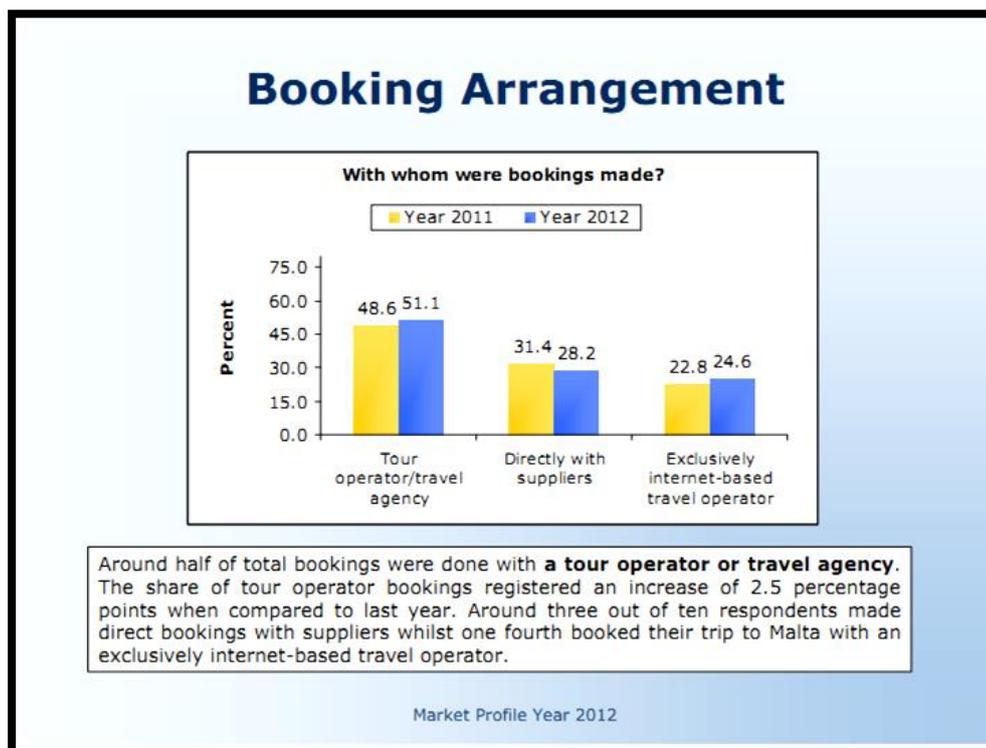


Figure 4: Booking arrangement to Malta (MTA 2012, 25)

To sum up, this part of the thesis provided briefly the information of the tourism market in Malta, with its trends on visitors, popular locations, holiday booking methods, tourism segments and the impact of the tourism industry on the national economy.

2.2 Studied hotels

As the thesis was to research the marketing performance of the three hotels based in Malta, the business context in which they operate has been described above in the part of the Tourism Market in Malta. This section thus is to give the basic facts on the history, target market, strong field of operation and the rank of the hotels: The Bugibba Hotel, the Preluna Hotel& SPA and The Radisson Blu resort Malta on famous travel information websites such as tripadvisor.com, booking.com, expedia.com and hotels.com.

2.2.1 The Bugibba Hotel

The Bugibba Hotel, a three-star hotel with 368 air-conditioned rooms founded in 1986, is located in Bugibba, one of the most popular tourist areas in Malta, where it is said to be convenient to reach the famous beach town Mellieha and the ferry to the islands of Gozo and Comino.

This is a budget hotel featuring different facilities such as pools, restaurants, mini golf and others. The hotel attracts different streams of customers such as young couples, solo travellers, groups, mature couples and families. Yet the main market that the hotel is serving is young couples.

Up until 2012, though named as a hotel, The Buibba Hotel had been operated as a hostel, with students as main clients and almost all of the revenue came from tour operators and online travel agencies (OTAs).

The following table ascertains the reputation of The Bugibba Hotel on different travel websites, until June 2013.

Table 5: Ranking of The Bugibba Hotel on different travel websites

| Travel website | Ranking and rating | Guest reviews |
|---------------------|--------------------|---------------|
| Trip Advisor | 7/ 17 | 589 |
| Booking.com | 6.7/10 | 639 |
| Hotels.com | 3.2/5 | 207 |
| Expedia.com | 3.1/5 | 56 |

To sum up, the most basic information on The Bugibba Hotel's history, location, facility, main streams of guests and its ranks on the most popular websites of travel and hotel have been provided in this part of the thesis.

2.2.2 RadissonBluresort Malta, St. Julian's

Located near the vibrant Malta's St. Julian town, Radisson Blu resort Malta, St. Julian's, opening in 1997 is one of the most prestigious five-star hotels belonging to the Carlson Rezidor hotel group, the world's ninth largest hotel group.

With the international luxury standard, the hotel has 252 rooms of first-class amenities together with several dining and entertainment facilities.

Regarding the main market of operation, the resort targets at all streams of clients, especially couples and families.

As a distinguished hotel in Malta, Radisson Blu Resort, St. Julian's receives high rating on specific travel websites. (Table 6)

Table 6: Ranking of Radisson Blu Resort, St. Julian's on different travel websites

| Travel website | Ranking and rating | Guest reviews |
|---------------------|---------------------------------------|------------------------------|
| Trip Advisor | Winner of the Traveller's Choice 2013 | Recommended by 80% of guests |
| Booking.com | 8.1/10 | 259 |
| Hotels.com | 3.8/5 | 82 |
| Expedia.com | 4.1/5 | 120 |

The overview of Radisson Blu resort Malta, St. Julian's properties, main types of clients and its general position in the hospitality in Malta has been reviewed in short.

2.2.3 Preluna Hotel & SPA

Preluna Hotel & SPA is a four-star hotel established in 1969, located in the seafront of the Sliema area, the second-most stayed in locality in Malta, as mentioned in the section of “Tourism market in Malta”.

With one tower building and one main building, the hotel has 280 rooms, which are all air-conditioned and provide free wireless internet. As the oldest hotel amongst three researched hotels, Preluna Hotel & SPA’s facilities are rather outdated and hence, its target market is elderly people, mainly around or more than 60 years old.

Table 7 illustrates popularity of Preluna Hotel & SPA in the hotels market in Malta, until June 2013.

Table 7: Ranking of Preluna Hotel & SPA on different travel websites

| Travel website | Ranking and rating | Guest reviews |
|---------------------|--------------------|---------------|
| Trip Advisor | 6/30 in Sliema | 772 |
| Booking.com | 7.3/10 | 386 |
| Hotels.com | 3.6/5 | 165 |
| Expedia.com | 3.6/5 | 113 |

Briefly, this part of the paper discussed the business operation of the four-star Preluna Hotel & SPA, which embodies its facilities, target market and its position on some famous holiday booking websites and traveller information sharing websites, namely Trip Advisor, booking.com, hotels.com and expedia.com.

Succinctly, the second section of the research paper has shown the general situation of the tourism market in Malta, as well as the most basic information of the three hotels on which

the research topic focuses. The hotels' performances on their online marketing as well as the online image are to be discussed in details in a later section of the thesis.

3 RESEARCH THEORETICAL BACKGROUND

As the thesis was to cover the study of hotel online marketing and pricing strategies, this section of the paper is to explain in details the theory of marketing and particularly, online marketing on which the research is based.

3.1 Marketing

To be widely defined, marketing is the social and managerial process of creating and exchanging products and values through which individuals and groups satisfy their needs and wants. In the business context, marketing is the process of exchanging value between companies and customers, or trading (Philip Kotler 2008, 7).

As the essence of marketing is trading, the survival of a business depends on its ability to trade. According to Philip Kotler, a successful business should be capable of implementing effective marketing processes which are demonstrated as in Figure 8.



Figure 8: Marketing's key processes

Marketing processes are conducted through marketing activities with several platforms, which have shifted from print to radio, billboard, to television and nowadays to internet. Internet, digital or online marketing is nowadays a crucial method that supports businesses in their marketing programs. The following section of this research paper thus elucidates the theory of modern online marketing.

3.2 Online marketing

3.2.1 General online marketing stages

As demand is aggregated by marketing, online marketing is to create demand utilizing the power of internet. Online marketing or digital marketing includes the step of Situation Analysis, Development, Online marketing practices and Optimization (Sarah Blake and Quirk Education 2008, 20).

Briefly, situation analysis is the process of creating the online marketing strategy, researching market and crowd-sourcing. In short, online marketing strategy should suggest the best utilization of digital means that would be most efficient for the company. Researching market is completed through the use of Internet. Crowd-sourcing, which is the collaboration and sharing of ideas that help solving problems, is utilized more through Internet.

Development means creating digital assets for the company by designing website, writing for the web and advancing mobile.

Online marketing practices include all activities that are conducted online with the purpose of reaching the customers and selling products. More detailed explanations on online marketing practices are to be discussed in the latter part of this section.

Optimisation, the last step yet not the least important in digital marketing, includes web analytics and conversion optimization, aims at tracking, analyzing and improving the digital assets and campaigns so that best results can be achieved. (Sarah et al 2011, 481)

Since the efficiency of the hotel online marketing methods is the centre of the research, it researches on how different hotels perform in the stage of Online marketing practices. It is clear that this stage is the central theoretical background on which the thesis is based and is detailed as following.

3.2.2 Online marketing practices

Online marketing practices consists of email marketing, online advertising, affiliate marketing, search engine marketing (SEM), video SEO, social media channels, social media strategy, web PR, online reputation management (ORM), mobile engagement and customer relationship management (CRM).

Email marketing

In more details, email marketing is known to be a powerful tool for a company to build a strong relationship with both current and potential clients. There are three main types of emails used in email marketing plans, which are transaction emails, newsletters or retention based emails, promotional emails. Transaction emails often refer to quote or financial advices. Newsletter or retention based email is a means for the customers to remain in regular contact with the company, which more provides updated information about the business than apparent promotion. Promotional emails, on the other hand, provide more direct promotions and aim at attracting clients to take immediate action towards those.

In order to decide the success of an email marketing campaign, it is necessary to study the key performance indicators (KPIs), which consist of open rate, click-through rate, numbers of emails forwarded, return on investment (ROI), number of social shares, database growth, conversion rate and delivery or bounce rate.

$$\textit{Open rate} = \frac{\text{Number of opened emails}}{\text{Total number of sent emails}}$$

(Sarah et al 2008, 175)

$$\textit{Click - through rate (CTR)} = \frac{\text{Number of times a link is clicked}}{\text{Total number of impressions}}$$

(Sarah et al 2008, 490)

$$\text{Return on investment (ROI)} = \frac{\text{Earnings} - \text{Cost}}{\text{Cost}}$$

(Sarah et al 2008, 543)

$$\text{Conversion rate} = \frac{\text{Number of website visitors performing a desired action}}{\text{Total number of website visitors}}$$

Bounce rate indicates the number of website visitors who enter and leave the website rather than view its other pages (Sarah et al 2008, 490).

Online advertising

Online advertising embodies advertising in all areas of the internet, which are namely search engine results pages, adverts placed in emails, adverts placed on social networks and adverts on the Google display network.

There are several terms and concepts which need to be considered when studying online advertising. Yet, this thesis is to focus on the concepts of cost per click (CPC), pay per click (PPC), Google AdWords and web analytics.

Cost per click (CPC) refers to the case when the cost is only deducted from an advertiser when their ad is clicked upon that leads a visitor to his website (Sarah et al 2008, 527).

Pay per click (PPC) is the advertising program on search engines where advertisers only have to pay for the clicks upon their aimed advert (Sarah et al 2008, 541).

Google Adwords is the PPC program of Google allowing advertisers to display their adverts on relevant search results and across the content network of Google (Sarah et al 2008, 203).

Web analytic is a software tool measuring the performance of a website by collecting data on website users based on metrics (Sarah et al 2008, 204).

Affiliate marketing

Affiliate marketing, the awarding system where compensation is based on referral, is popularly used to promote websites. Affiliates are considered extended sales force for the websites because they are paid for every other customer or visitor that they recommend to the websites or the business. Since affiliates are paid for performance, affiliate marketing has a synonym, which is performance marketing. (Sarah et al 2008, 226).

Search engine marketing (SEM)

Search engine marketing (SEM) is the marketing type that is related to search engines, which are defined as web-based programs indexing the web and allowing people to find what they are searching. Famous search engines are namely Google, Bing or Yahoo. There are two main types of search results from search engines, which are organic search results and paid search results. Organic search results, or natural search results, are the results displayed on the left side of the search engine result pages (SERPs) and not financially influenced. Meanwhile paid results, or PPC, are the results listed on the top and/ or on the right side of SERPs.

SEM encompasses two branches, which are Search Engine Optimization (SEO) and Pay Per Click (PPC) advertising. While the focus of SEO is on improving the ranking of the websites in the natural search results, PPC deals with negotiating for the position of the website in the paid results section of the SERPs.

Since SEM is an important part of the whole online marketing picture, SEO and PPC are discussed separately in more details in the following parts of the paper. (Sarah et al 2008, 255).

3.2.2.1.1 Search Engine Optimization (SEO)

Search engine optimization (SEO) aims at optimizing the website so that the targeted ranking on the search engine result pages (SERPs) can be obtained. The person practicing SEO is referred to as search engine optimizer (SEO).

There are two different types of SEO, which are onsite SEO and offsite SEO (Jaqui Carrel 2012, 14). While onsite SEO focuses on the optimization of both page content and the bits behind the scene (meta tags), offsite SEO aims at establishing relevant links via the websites and driving relevant website visitors (traffic) to it (Jaqui Carrel 2012, 15).

To explain more, SEO consists of five main areas, which are a search engine friendly website structure, a well-researched list of key phrases, content optimized to target those key phrases, link popularity and usage data.

In details, search engine friendly website structure suggests building a website which is easy for the search engines to access by linking all the important pages directly from the website's homepage, or avoiding delivering key content in Flash.

Because of the fact that users usually enter words which they think relevant to their search into the search engines and the search engines will return with all the pages that contain the searched words or relevant content, it is important for the websites to contain the content that implements keywords which their target customers are likely to use. When choosing a keyword, the search volume, competition, propensity to convert and value per lead should be considered.

3.2.2.1.2 Pay Per Click (PPC)

Pay Per Click (PPC) advertising is an advertising system where the advertisers only pay when their adverts are clicked. The most popular PPC systems are offered by famous search engines such as Google, Yahoo and Bing. (Gareth Morgan, Chris Gurner 2011, 8)

Besides click-through rate (CTR) and cost per click (CPC) already mentioned earlier, there are other terms which should be noticed when studying PPC, such as impression, average position and bid. The number of impression means the number of times an adverts is seen by the searchers. Average position is the position in the results where the adverts usually stand. Bid is the maximum price that an advertiser is willing to pay for a click. (Gareth et al 2011, 9).

In this thesis, one of the focuses is on the Google PPC systems of the studied hotels, The Bugibba Hotel, Radisson Blu Resort Malta, St. Julian's and Preluna Hotel & SPA.

Video SEO

Video Search Engine Optimization (Video SEO) refers to how to manage the business' videos so that it is easy to be found on search engine result pages, as well as how to create and maintain a video channel. (Sarah et al 2011, 316).

Social media channels

Social media channels are websites designed to be shared. Popular social media channels nowadays are namely Facebook, Twitter or Flickr, to name only a few. This thesis emphasizes on the Facebook pages of The Bugibba Hotel, Radisson Blu resort Malta, St. Julian's. (Figure 9)

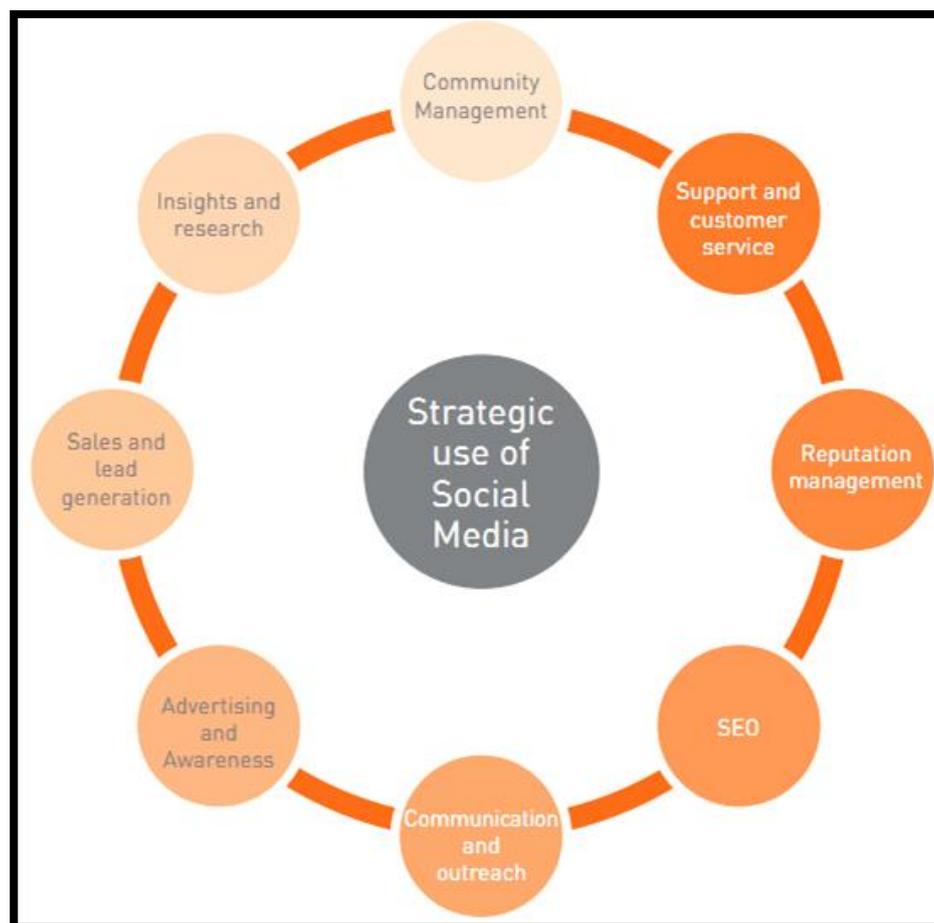


Figure 9: The use of social media marketing (Sarah et al 2011, 372)

Web PR

Traditional Public relations (PR) are a set of functions advancing a business's ability to communicate with its customers in terms of listening to, appreciating and responding. Meanwhile, Web PR is about connecting with customers and enhancing brand awareness through a variety of online channels such as blogs, forums, social media and others. (Sarah et al 2011, 392)

Online reputation management (ORM)

Online reputation management (ORM) is the process of monitoring, measuring and managing online conversations about an organization (Sarah et al 2011, 45). A brand's reputation can be affected remarkably by ORM.

Customer relationship management (CRM)

Customer relationship management (CRM) refers to how a business interacts with its customers and potential customers. Maintaining good relationships with the customers is essential to the success of a business.

Mobile engagement

Mobile engagement refers to utilizing the communication functions of mobile phones in the engagement strategy, as well as drawing traffic to the business' mobile websites and applications. (Sarah et al 2011, 435)

4 HOTELS' ONLINE MARKETING PRACTICE ANALYSIS

This section of the thesis analyses the efficiency of The Bugibba Hotel, Radisson Blu resort Malta, St. Julian's and Preluna Hotel & SPA in promoting and managing their online images through their Email marketing, Search Engine Marketing (SEM), social media channels and customer relationship management (CRM). Since the Preluna Hotel & SPA is the main target of the research, it is hence more detailed and its pricing strategy is especially analysed as well.

Email marketing

As mentioned in the Theoretical background section, Email marketing consists of transaction emails, newsletters or retention based emails and promotional emails. How The Bugibba Hotel, Preluna Hotel & SPA and Radisson Blu Resort Malta, St. Julian's perform with their email marketing campaigns, especially in terms of newsletter, is examined based on Key Performance Indicator (KPIs) which are click-through rate (CTR), open rate, and conversion rate.

Search Engine Marketing (SEM)

The Search Engine Marketing (SEM) was analysed based on the hotels' practices on Search Engine Optimization (SEO) and Pay Per Click (PPC) Google AdWords Campaign.

Search Engine Optimization (SEO)

Search Engine Optimization (SEO) consists of off-site and on-site SEO. Since off-site SEO refers to all the marketing activities that are implemented offline, this research paper only highlights onsite SEO.

Onsite SEO refers to all the activities aiming to drive traffic to the website that are done online. In this thesis, the author emphasized two onsite SEO factors which are layout and design and the use of Meta keyword and website content.

Layout and design

In order to explore the hotels' websites layout and design, the author utilized Browser Size, a useful tool launched by Google which the function is to assist websites owners to check which parts of their sites are visible to visitors in all types of screen and devices.

Meta keywords and website content analysis

As mentioned in the Theoretical background of the thesis, "Search Engine Optimization" section, search engines are essential searching tools for internet users nowadays. Since users usually enter words which they think relevant to their search into the search engines and the search engines will return with all the pages that contain the searched words or relevant words, it is important for the content of the websites to have the trendy search terms. These words should be chosen based on the search volume, competition, propensity to convert and value per lead. The Meta keywords should be relevant to the most-used words in the website content to enhance the rank of the website in the search engine result pages (SERPs).

So as to analyze the keyword choice of three studied hotels, the author used Keyword Planner tool and Keyword Density Analyzer tool by Google.

Keyword Planner tool shows the average number of global monthly searches for one keyword and its competition level. In essence, there are three levels of keyword competition, high-medium-low, each demonstrates how popular the keyword is used amongst other establishments.

Keyword Density Analyzer tool analyzes the frequency one keyword appears in the website. It is a common conception among SEO-ers that the keyword density should be 2-5%.

Google Adwords

As explained in the theoretical background section, Google Adwords is a Pay Per Click (PPC) campaign run by Google, which assists the organizations to enhance their position on Google search result page when a client uses the search term that is the same as the business website's content and keyword. In order to pay the low but efficient bid for the campaign,

optimal keywords used for it should be relevant to the keywords used to describe the business and should have healthy density in the website. This section of the thesis is thus to study whether the three researched hotels have successful Google Adwords Campaigns.

Social media channels

Social media channels have captured a huge attention from internet users nowadays. Popular social media channels are namely Facebook, Twitter or Tumblr. In this thesis, the studied hotels are discussed regarding how they exert one of the most prevailing channels, Facebook, in communicating with the customers and promoting their products and images. The KPIs used in this section are the numbers of likes, comments and frequency of posts on the hotels' official Facebook page.

Customer Relationship Management (CRM)

Among the influential practices of online marketing are Web PR, Online Reputation Management (ORM) and Customer Relationship Management (CRM), which basically refers to communication with customers and managing the images, of the organizations. The dissertation therefore probes these practices of the three hotels yet in a combination, since they share the same concept.

In any field of business, especially one that requires plenty of direct contact with customers and customer care like hospitality industry, customer share of the service is of great influence. Nowadays, with the flourish of technology, tourists and travelers have many choices how to share their experience with other people, such as posting pictures on their own social media channels, which approach the inner social circle of the posters; or commenting on other websites that impress wider circle, in this case the author refers to TripAdvisor.

In a nutshell, TripAdvisor is the world's largest travel site containing more than 100 million candid reviews, opinions and photos of attractions, rental accommodations and such from travelers.

In the hotels field, TripAdvisor is thus an important tool for customers to review their stay and service provided by the hotels, for potential guests to evaluate the hotels' value and reputation and for the hotel itself to comprehend its quality in customers' perception and thus adjusts the service to earn more customer satisfaction and thereupon reputation. The author, while performing the internship at Preluna Hotel & SPA, has not only realized the essentiality of TripAdvisor in that sense, but also in terms of pricing strategy, yet this is discussed in the latter section. Accordingly, the research paper scrutinizes how the three studied hotels are rated on TripAdvisor, as well as appraise their performance on dealing with customers' feedbacks.

4.1 The Bugibba Hotel

4.1.1 Email marketing

The Bugibba Hotel, as a matter of fact, did not use any Email Marketing Service Provider for its email marketing campaign, yet only used a normal email address to send the newsletter to its subscribers.

Obviously, the hotel had not considered email marketing an essential tool of marketing, for the newsletter function was created only since October 2012 with around 200 subscribers, counted until June 2013 and no newsletter had been released ever since its introduction.

4.1.2 Search Engine Marketing (SEM)

Search Engine Optimization (SEO)

4.1.2.1.1 Layout and design

Easily seen from Browser Size tool, the links to the hotel information about facilities, events and offers as well as the booking form were available to 90% to 99% of visitors coming to the websites without having to scroll the mouse. (Figure 10)

Besides, all the links to the hotel accommodations, the hotel overview and other information could be found on the homepage. Pictures of different room types, together with images illustrating bar and restaurants could be found in the corresponding section. However, the website did not provide a gallery to introduce the hotel's images of other facilities, functions and events.

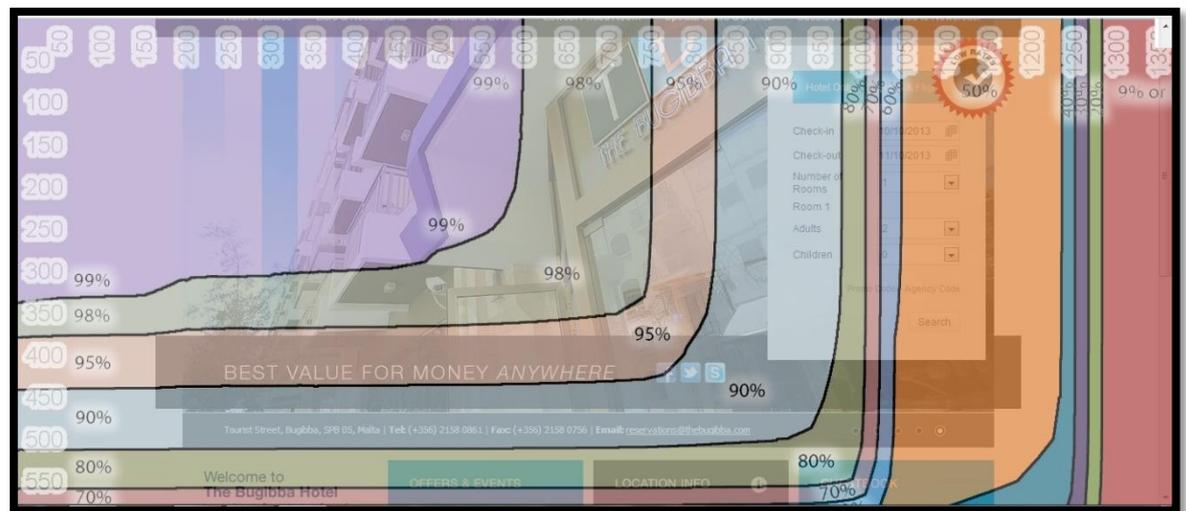


Figure 10: The Bugibba Hotel website visibility (Browser Size tool)

It can be said that The Bugibba Hotel, though lacking the gallery, had a well-organized and well-designed website which is easy for the customers to surf and locate the necessary information.

4.1.2.1.2 Meta keywords and website content relevancy

Generally, The Bugibba Hotel chose keywords with high competition level, except from “value for money hotel Malta”, “affordable hotel Malta” and “three star hotel Malta”, which had not appeared in any search and hence there was no competition.

Apart from other keywords which had the density of 2.45% to 4.41%, “Three star hotel Malta”, “Qawea hotel”, “Malta hotel” and “Accommodation in Malta” had from no appearance in the website to less than 2% of density correspondingly. (Table 11)

It can be said that the keywords with high competition but low density, or low competition but high density were not able to help the website being located by the search engines. However, most of the keywords which had high competition and healthy density of more than 2% were optimal.

Table 11: The Bugibba Hotel keyword analysis (Keyword Planner tool and Keyword Density Analyzer tool)

| Keyword | Average global monthly searches | Competition | Density |
|------------------------------------|---------------------------------|-------------|---------|
| Qawra hotel | 480 | High | 0.5% |
| Bugibba hotel | 2,900 | High | 2.45% |
| Malta hotel | 3,600 | High | 0.99% |
| Value for money hotel Malta | 0 | 0 | 2.94% |
| Affordable hotel Malta | 0 | 0 | 2.94% |
| 3 star hotel Malta | 20 | High | 2.94% |
| Three star hotel Malta | 0 | 0 | 0.5% |
| Holiday in Malta | 1,300 | High | 4.41% |
| Accommodation in Malta | 480 | High | 1.07% |

Google Adwords

As mentioned earlier, if the content of a website contains words which are the same as the trendy search terms, together with relevant Meta keywords, the website is likely to have higher chance to have good rank on the SERPs.

According to The Bugibba Hotel Online Marketing Executive, the hotel had never run any Google Adwords Campaign. The hotel held the name of its location, Bugibba, one of the most popular tourist areas in Malta, which brought certain advantages to the hotel in terms of the rank on SERPs for several reasons.

Google Trends, a tool by Google that shows the popularity of search terms over time, shows that “bugibba hotel” and “hotel bugibba” are the two search terms that have increasing interests over time. (Figure 12)

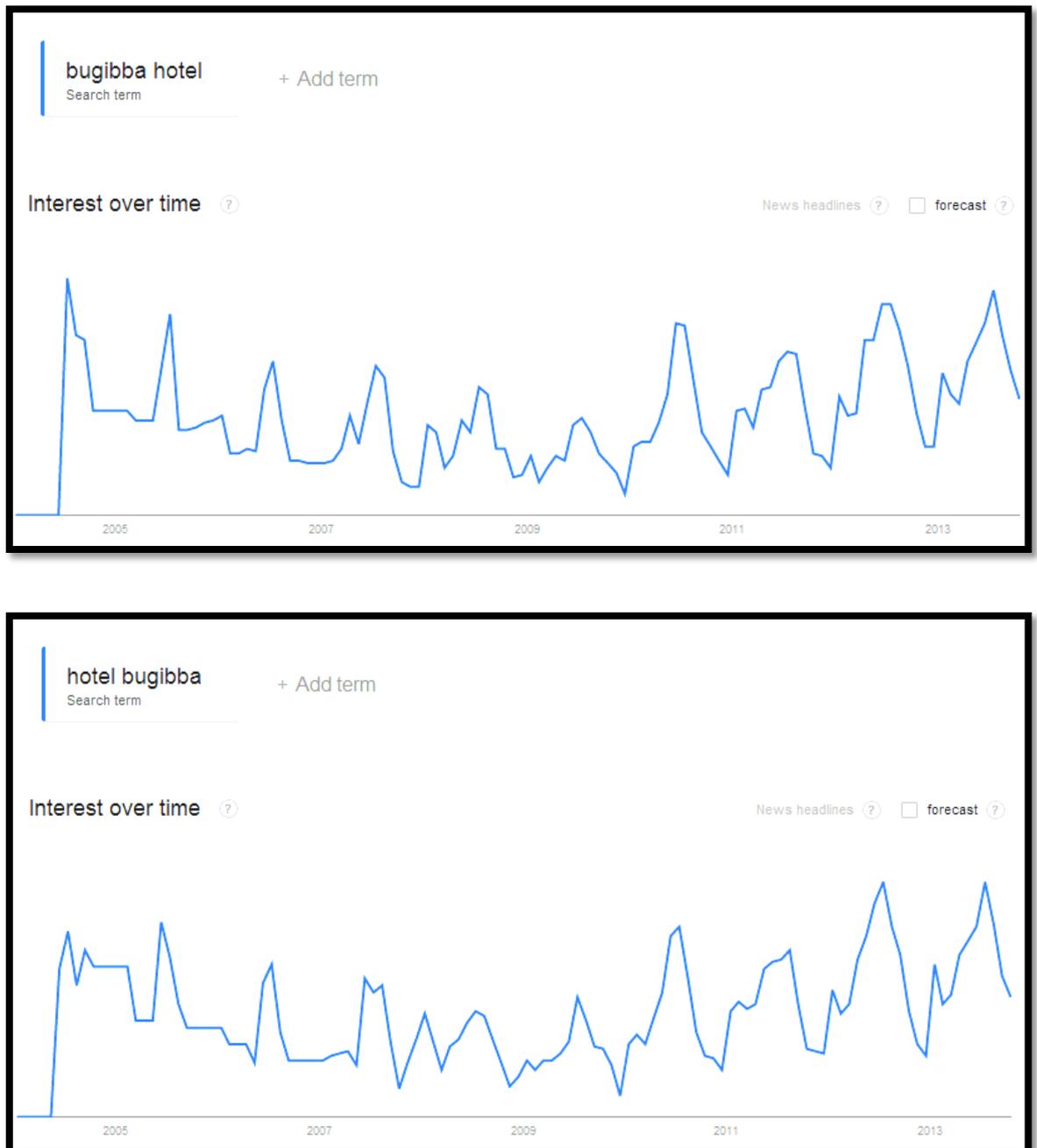


Figure 12: Search terms popularity checked by Google Trends

Besides, “bugibba hotel” was used as one of the Meta keywords and had healthy density on the website. Obviously, Google Adwords Campaign was not extremely essential for The Bugibba Hotel because the hotel itself possessed this advantage to have high rank on Google search result page.

4.1.3 Social media channel

Up until early October 2013, the hotel’s official Facebook page had gained more than 1,065 likes, yet the number of accounts who actually interacted on the page only accounts for 22, which clearly indicates a very low attractiveness of the hotel towards its customers, as well as its concern to promote its online image to the clients. The frequency of customers’ posts on the page was rather dense, average one post every two day; however, there showed almost no reply from the hotel Facebook administrator. Moreover, the frequency of the hotel’s own post about promotion or such on the page was quite low, accounting for approximately one every two weeks, the number of client responses to those posts were noticeably low as well, approximately three to ten likes and none to five comments. In terms of updating the hotel pictures, the profile picture had been changed three times, together with few albums of the hotel rooms. It can be stated from these KPIs that The Bugibba Hotel did not take into consideration about interacting with its customers and promoting its own image on this social media channel.

4.1.4 Customer Relationship Management (CRM)

During 2008 to 2013, there had been 729 guest reviews on TripAdvisor for The Bugibba Hotel, among which the proportions of people rating the hotel service as “terrible”, “average” and “very good” were almost equal, which are 29%, 26% and 21% correspondingly (Figure 13). The hotel was ranked 6th over 17 hotels in the Bugibba area and was recommended by 29% of guests (TripAdvisor).

In terms of dealing with guest reviews, it is easily seen on TripAdvisor that around 31% of reviews (227 out of 729) had been responded (TripAdvisor), among which the majority of the responded reviews were during 2012-2013. More noticeably, the hotel had only replied to reviews written in English. Besides, the hotel had the tendency of denying guests' bad experience in response to the complaining reviews.

It can be said that The Bugibba Hotel was a controversial service provider, and its customer relationship management had become a concern of the hotel, based on the fact that all guest reviews were replied since 2012.

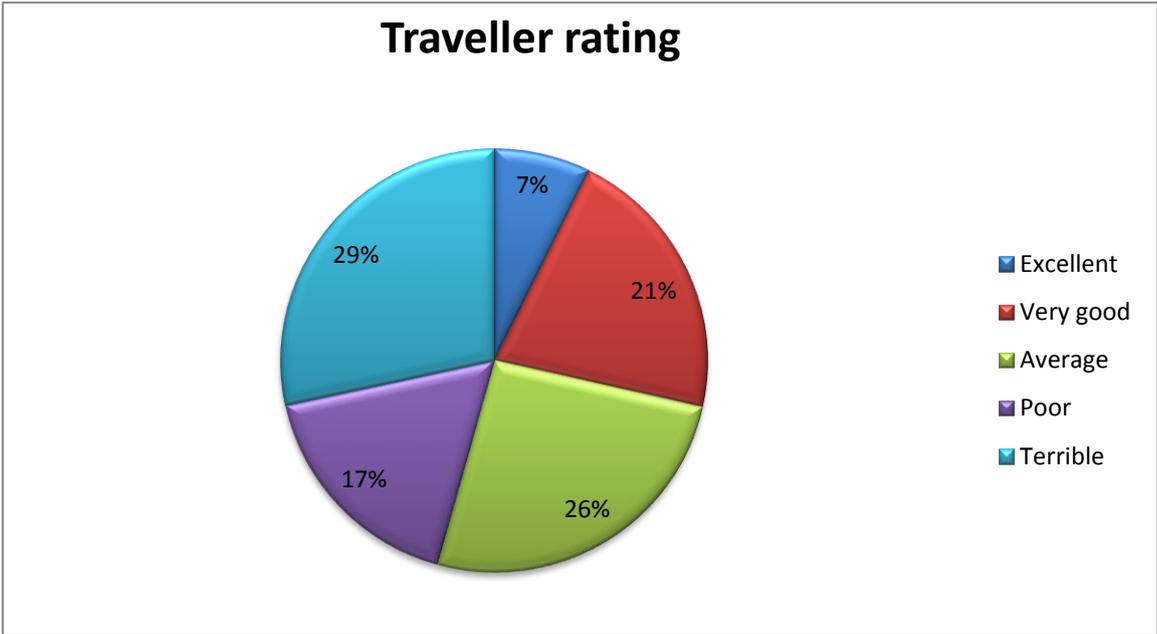


Figure 13: Traveler Rating on TripAdvisor- The Bugibba Hotel (2008-2013)

4.1.5 Summary

Briefly, The Bugibba Hotel's online marketing practices performance is summarized in the following table.

Table 14: Summary of The Bugibba Hotel's online marketing practices performance

| Online marketing practices | Comment |
|--|--|
| Email marketing | Need more focus |
| Layout and design | Need gallery for the website |
| Meta keywords and website content relevancy | 4/9 good keywords |
| Google Adwords | Not necessary |
| Social media channel | Need more interaction |
| CRM | Good frequency but need more professionalism |

4.2 Radisson Blu Resort Malta, St. Julian's

4.2.1 Email marketing

Radisson Blu resort Malta, St. Julians' had implemented its email marketing very frequently, in average one newsletter every two-three weeks. Although not being able to access the email marketing service provider of the hotel, the author was advised that Radisson Blu resort Malta, St. Julians' spent a budget of approximately €500 for its email marketing campaign. This online marketing practice had always brought positive ROI for the hotel. (Ilona Busuttli, Online Marketing Executive Radisson Blu Resort Malta, St. Julian's, 2013)

4.2.2 Search Engine Marketing (SEM)

Search Engine Optimization (SEO)

4.2.2.1.1 *Layout and design*

Radisson Blu Resort Malta, St. Julian's allocated the links to important information of the hotel at the first half of the homepage, which were visible to 80% to 99% of visitors to the website. However, the booking form of Radisson Blue Resort Malta, St. Julian's was not visible to 50% of the website visitors since it was placed in the lower half of the homepage. (Figure 15)

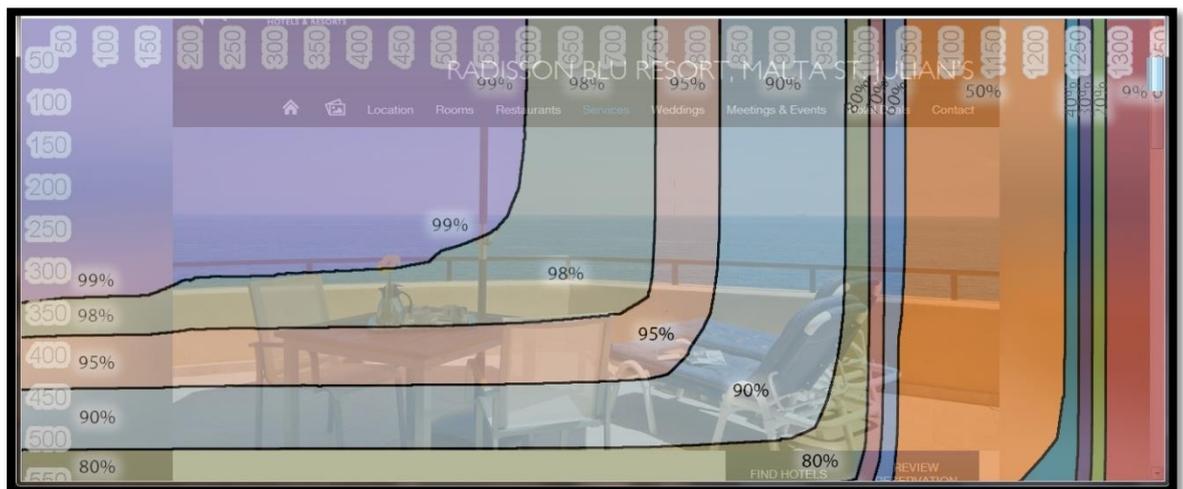


Figure 15: Radisson Blu Resort Malta, St. Julian's website visibility (Browser Tool)

As a prestigious five-star hotel of an international hotel group, it could be easily recognized that the website of The Radisson Blu Resort Malta was designed with a high standard. To illustrate, the website provided high-quality images to depict its location, facilities and events in each corresponding section, together with a gallery of a variety of pictures. Noticeably, the booking form was placed not only in the homepage but in every sub-page in this hotel's website.

To sum up, it can be said that Radisson Blu Resort Malta, St. Julian's website was very well designed and of high standard, which certainly affirmed the hotel's standard and quality.

4.2.2.1.2 *Meta keywords and website content relevancy*

Generally, Radisson Blu Resort Malta, St. Julian's used keywords with high competition and good density, which was likely to drive traffic to the website. However, the two keywords "St Julians hotel" and "hotel St Julians" had lower density than the healthy percentage, which might affect the rank of the website on search engines. (Table 16)

Table 16: Radisson Blu Resort Malta, St. Julian's keyword analysis (Keyword Planner tool and Keyword Density Analyzer tool)

| Keyword | Average monthly searches | global | Competition | Density |
|----------------------------|--------------------------|--------|-------------|---------|
| hotels in Malta | 6,600 | | High | 4% |
| hotels Malta | 3,600 | | High | 4% |
| hotels in St Julians Malta | 390 | | High | 2.4% |
| St Julians hotel | 170 | | High | 0.96% |
| hotel St Julians | 70 | | High | 0.96% |

Google Adwords

According to the author's research, Radisson Blu Resort Malta, St. Julian's had been running frequent PPC campaigns throughout the year to promote different offers and in the summer months for higher competitiveness. The budget of each campaign was estimated to be approximately €2,000. The PPC campaigns had been implemented effectively, which is clarified by the average conversion rate of 2.2% in 2012 and 1.8% in the first five months of 2013. (Ilona Busuttli, Online Marketing Executive Radisson Blu Resort Malta, St. Julian's, 2013)

In addition, with the advantage of belonging to one of the biggest hotel chains in the world, the hotel website was linked to other prestigious hotels of the same chain, which led to the high relevance and importance index, or Pagerank of the website. Therefore, with common search terms related to hotel and accommodation in Malta, Radisson Blu Resort Malta, St. Julian's tended to have high rank on the SERPs. Together with its reputation, it was likely to have high CTR and conversion rates from specific segments of customers.

4.2.3 Social media channel

Remarkably, Radisson Blu Resort Malta, St. Julian's had obtained almost 10,000 likes for its Facebook page until October 2013, yet sharing the same lack of concern from the public with The Bugibba Hotel, by having only 40 people who actually interacted on the page. The frequency of customers' posts on the page, was quite moderate, one post every one to two weeks in average. However, Radisson Blu Resort Malta, St. Julian's interacted with the customers by liking and commenting on their posts. Additionally, the hotel had a dense frequency of promoting its discount periods, as well as the hotel's products such as food or beverages. Besides, the hotel had numerous photo albums on the hotel's facilities and different events. It can be claimed that Radisson Blu Resort Malta, St. Julian's very concerned about promoting its online image on Facebook and take care of interacting with its clients.

4.2.4 Customer Relationship Management (CRM)

Popularly, Radisson Blu Resort Malta, St. Julian's had obtained 1,106 guests reviews on Trip Advisor between 2004 and 2013. As can be seen from Figure 17, 47% of the guests rated the hotel as an "excellent" service provider, followed by 32% rating it as "very good". The hotel also was recommended by 80% of the guests and it was ranked 8th of 30 hotels in the Saint Julian area of Malta. As a matter of fact, the hotel was the winner of "Travellers' Choice 2013" award from TripAdvisor.

Radisson Blu Resort Malta, St. Julian's took care of the customer opinions on TripAdvisor especially in 2012 and 2013, which accounts for 26.85% (297 out of 1,106) of the total reviews. All the responses to the guest review whether positive or negative were handled in a mild, apologetic and professional manner (TripAdvisor).

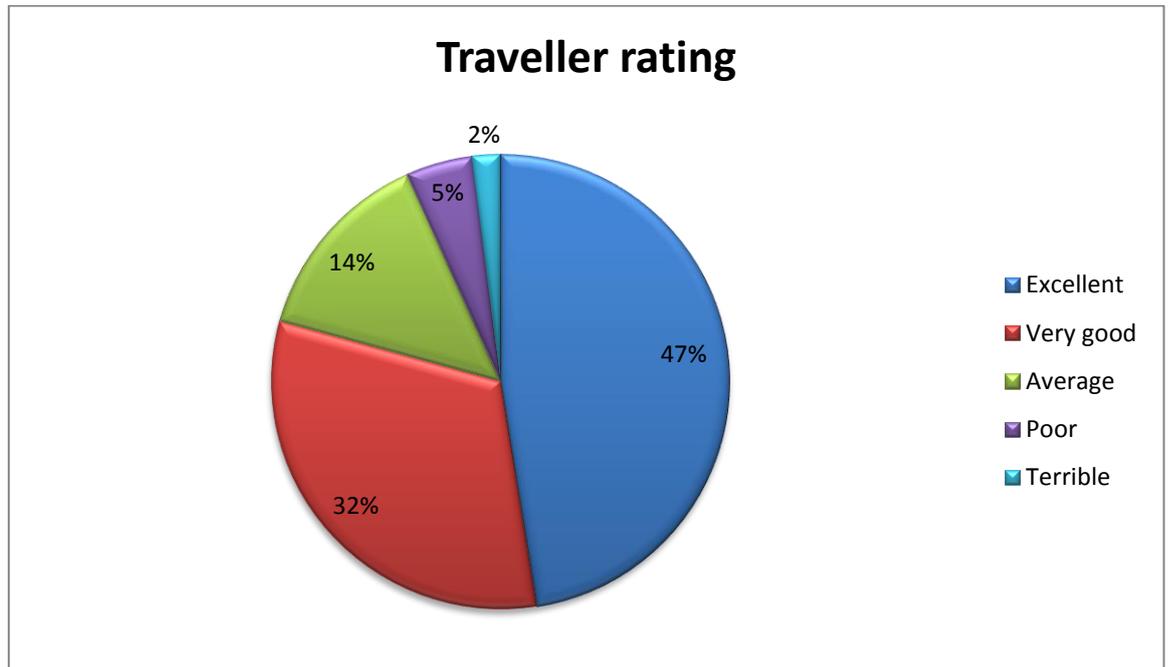


Figure 17: Traveler Rating on Trip Advisor- Radisson Blu Resort Malta, St. Julian's

4.2.5 Summary

The following table describes the general image of how Radisson Blu Resort Malta, St. Julian's had been performing with its online marketing practices.

Table 18: Summary of Radisson Blu Resort Malta, St. Julians'online marketing practices performance

| Online marketing practices | Comment |
|---|-------------------|
| Email marketing | Good |
| Layout and design | Good |
| Meta keywords and website content relevancy | 3/5 good keywords |

| | |
|-----------------------------|------|
| Google Adwords | Good |
| Social media channel | Good |
| CRM | Good |

4.3 Preluna Hotel& SPA

4.3.1 Email marketing

As researched by the author, the Preluna Hotel& SPA used MailChimp, one of the ten best Email Marketing Service Providers for its email marketing campaign. (Email marketing services reviewed 2011). According to the MailChimp report, up to June 2013, the hotel had received 3,188 subscribers for their newsletter program, which cost approximately €100 for a monthly package. In fact, the hotel only sent out newsletter with the frequency of two-three times per year informing important updates in the operation. The most recent newsletter delivered was in May, which achieved the opening rate of 31.8% and CTR of 6.6% (Figure 19). According to MailChimp, the average opening rate of hotels using MailChimp service was 19.6%, it can be said that the newsletter program of Preluna Hotel & SPA had a positive opening rate.

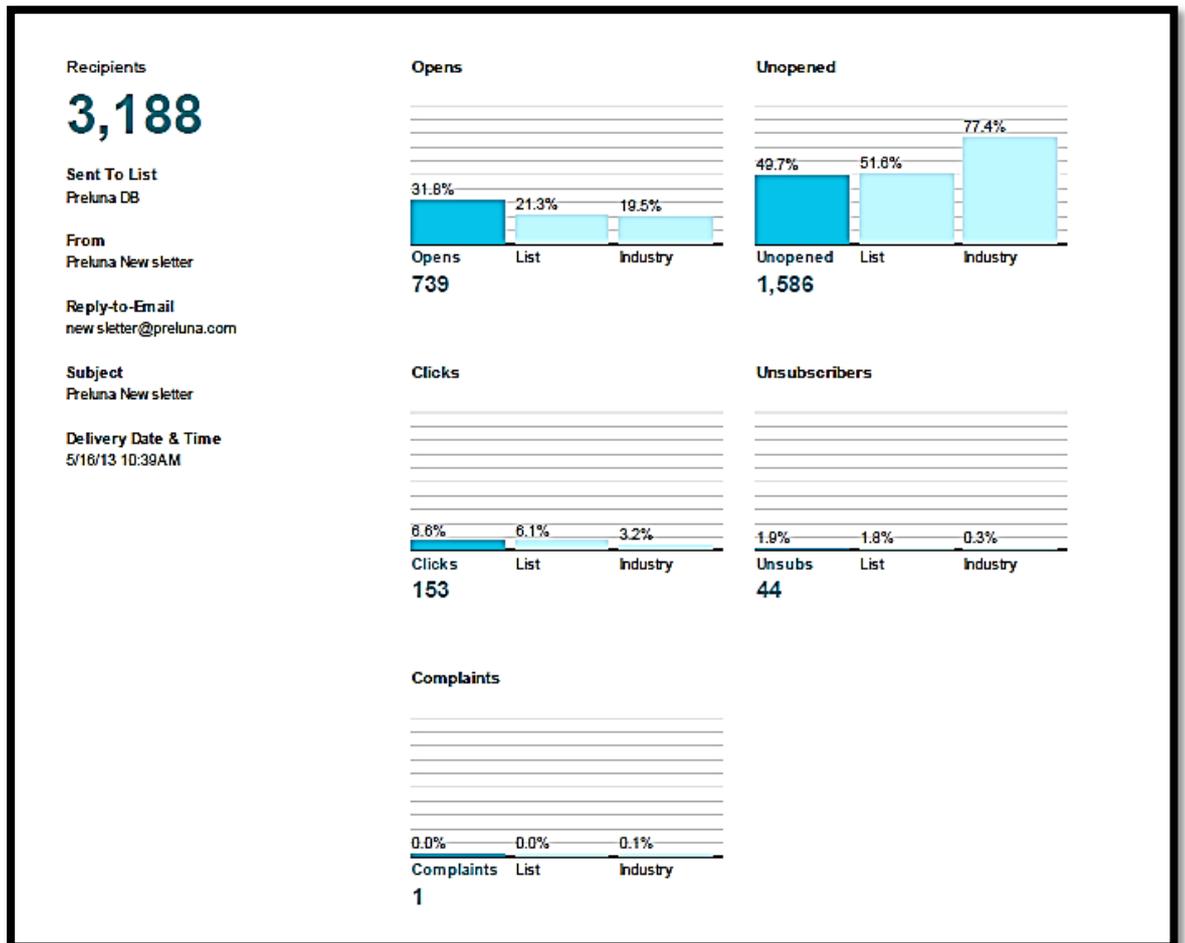


Figure 19: Preluna Hotel& SPA newsletter overview MailChimp report

However, according to Mr. Daniel Diosi, the then Online Marketing Expert of Preluna Hotel & SPA, the conversion rate was rather insignificant, approximately 1.96% of the CTR, which led to around 2.45% of return on investment (ROI). Hence, it is possible to state that the email marketing campaign of Preluna Hotel & SPA had been implemented positively.

4.3.2 Search Engine Marketing (SEM)

Search Engine Optimization (SEO)

4.3.2.1.1 Layout and design

Like the other two hotels, Preluna Hotel & SPA hotel website's links to important information about the hotel accommodation, facilities and events together with the booking form were visible to 80% to 99% of the visitors. (Figure 20)

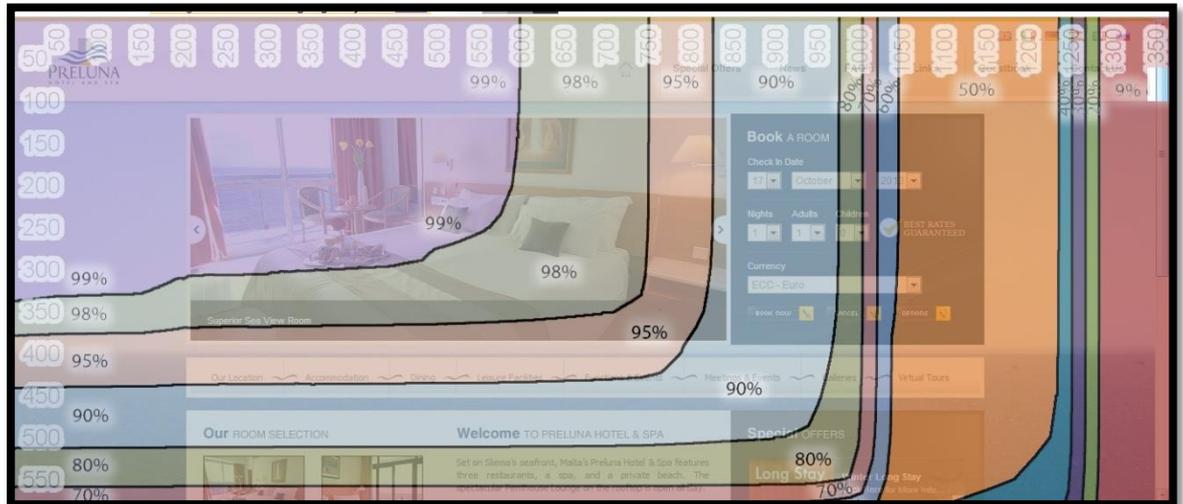


Figure 20: Preluna Hotel & SPA website visibility (Browser Size tool)

The website's homepage provided the links to see the hotel's different room types, restaurants, events and others. In the section related to the hotel's leisure facilities and dining facilities, there were several pictures illustrating. However, there was no information of opening and closing time of these facilities. Unlike 3-star The Bugibba Hotel, Preluna Hotel & SPA provided a gallery to give the customers a general image about the whole hotel, yet the pictures used were dated and of low quality.

In a nutshell, Preluna Hotel & SPA had an organized website; nonetheless, the pictures utilized were not of good quality and thus might mislead the customers' perception about the hotel's real image.

4.3.2.1.2 Meta keywords and website content relevancy

In general, most of the keywords of Preluna Hotel & SPA website had high competition and density. The hotel website also used keywords with medium and low competition. The keyword density was majorly good with 2.86% to 4.44%, except from "Preluna hotel Malta" and "Malta" which had no density and only 0.9% correspondingly.

Noticeably, the hotel used "Malta" and "Europe" as its keywords, which were not specifically descriptive for the hotel. Moreover, "spa hotel Malta", though having high

competition and density, but low frequency in the global monthly searches, was also not an optimal keyword choice. (Table 21)

Table 21: Preluna Hotel & SPA keyword analysis (Keyword Planner tool and Keyword Density Analyzer tool)

| Keyword | Average global monthly searches | Competition | Density |
|----------------------------|---------------------------------|-------------|---------|
| Preluna hotel Malta | 2,900 | High | 0 |
| spa hotel Malta | 70 | High | 2.86% |
| Malta accommodation | 880 | High | 4.44% |
| Malta diving | 880 | Medium | 4.44% |
| Malta | 823,000 | Medium | 3.49% |
| Europe | 550,000 | Low | 0.9% |

Google Adwords

During its operation, Preluna Hotel& SPA Malta had run only one PPC campaign for 20 days in May 2013 with a total budget of €500. According to the hotel Online Marketing Executive, the campaign was implemented cost-efficiently and brought back a high CTR of 1.39%, conversion rate on the website 1.67%, a satisfactory ROI, which led to 63% of increase in the hotel online revenue in May 2013 compared to that of May 2012.

4.3.3 Social media channel

Until October 2013, Preluna Hotel & SPA had gained more than 2,700 likes on its official Facebook page, yet only nearly 60 accounts actually interacted on the page. The frequency of customers' posts on the page was quite moderate, one post every one to two weeks in average. Easily seen, the hotel Facebook administrator did not like or comment on the

customers' posts. However, the hotel frequently posted promotion, pictures and news about Malta on its Facebook page, about one post every one to two days, which received normally more than 20 likes and up to five comments for each post from the others. In terms of introducing the hotel images to the clients, the hotel had only one album about one or two of the hotel facilities and one album of an event organized in the hotel. From these KPIs, it is noticeable that although the hotel was concerned about introducing its promotion period or promoting the Maltese islands, it still lacked of interaction with the clients and especially promotion on its own image to the customers.

4.3.4 Customer Relationship Management (CRM)

During 2003 to 2013, Preluna Hotel & SPA had gained 865 guest reviews on TripAdvisor. In details, the hotel service was majorly rated as "very good" by 37%, followed by the "average" and "excellent" rating of 24% and 23% alternately (Figure 22).

According to TripAdvisor, Preluna Hotel & SPA was ranked 6th over 31 hotels in the Sliema area and was recommended by 64% of the guests.

Regarding how the hotel manages its customer relationship on TripAdvisor, there were approximately 13.17% (117 out of 865) of the guest reviews being responded in a polite and professional manner, amongst which all of the responses were in the period of 2012-2013.

Briefly, it can be stated that Preluna Hotel & SPA had taken in consideration the importance of TripAdvisor and the customer relationship management from this website.

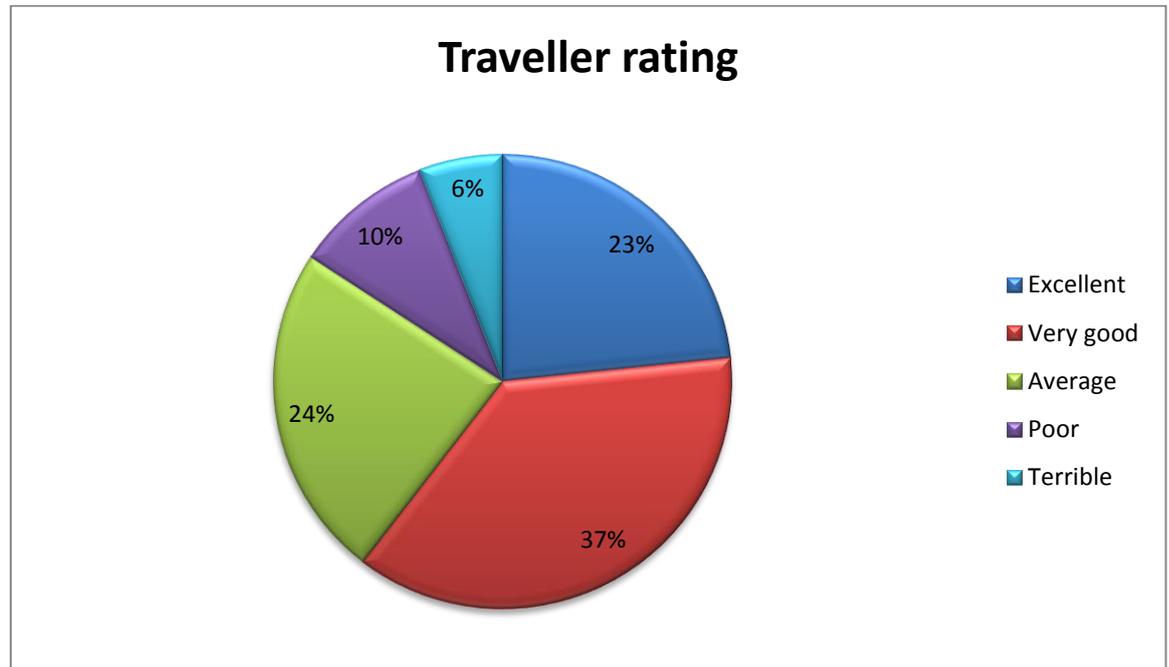


Figure 22: Traveler Rating on TripAdvisor- Preluna Hotel & SPA (2003-2013)

4.3.5 Pricing strategy

So as to comprehend how hotels function in its competitive environment, besides studying the online marketing methods of the three mentioned hotels, the author endeavoured to learn the pricing strategy of this industry as well. Therefore, this section of the dissertation is centralized in analysing the pricing strategy of the central research target, the Preluna Hotel & SPA.

In essence, the pricing strategy of the targeted hotel was based on four main factors, which were the occupancy rate, the product quality according to guests' reviews, main rival's price and average price of hotels in the same area.

The first notable factor which determines the price of a room is the occupancy rate. Generally, in the hotel business, there is high season, shoulder season and low season according to which the price varies. As mentioned in the section about Tourism Market in Malta, the high season falls between July and September, the low season is from November

to January, which leaves the rest of the year low season. Logically, in the peak season, when a hotel has very few rooms left to sell, the price can be raised higher than its own standard price, since the customers are in need of accommodations and willing to pay for that price, no matter how costly.

Secondly, the hotel highly considered guests' reviews while setting room rates. Understandably, if a product is highly appraised, the seller can increase the price since there are customers willing to pay for service of particular standards. Preluna Hotel & SPA used TripAdvisor as the main means to measure its service quality and that of other hotels in the same area and standards so as to draw a base to price competitively. In essence, each hotel has its own rank on TripAdvisor, which is ranked according to how many percent of customers recommend it, therefore, there can be calculated the average percentage, or points for every compared hotels, which, in this case, called factor X. The average rate of all these compared hotels is an important factor as well, called factor Y. From these two factors, it is totally possible to calculate the rate for one point of service quality in the studied area, explained as following:

$$Qualityindex = \frac{Y}{X}$$

In the case of Preluna Hotel & SPA, if at the time, the hotel attained 89% of customer recommendation on TripAdvisor, it is easily to set a reasonable rate for the hotel rooms, using the above-mentioned factor, illustrated as follow:

$$SuggestedrateforPrelunaHotel\&SPA = \frac{Y}{X} \times 89$$

From the suggested rate calculated as followed, together with adjusting depending on other factors, the hotel could set an optimal price for its rooms depending on each season.

As a matter of fact, although Preluna Hotel & SPA considered the four mentioned factors when setting the price for the hotel rooms, the hotel had fixed rates to be followed, called bar rate. Thus, even when the suggested rate had been calculated according to the factors, the hotel would pick the bar rate which was closest to the suggested rate to set for its rooms.

The above study supports the viewpoint that Preluna Hotel & SPA had a logic online pricing strategy, however, its bar rate model for the room was not used commonly in the hotel business.

4.3.6 Summary

The below table abridges the online marketing practices performance of Preluna Hotel & SPA.

Table 23: Summary of Preluna Hotel & SPAonline marketing practices performance

| Online marketing practices | Comment |
|--|---|
| Email marketing | Positive ROI |
| Layout and design | Need website update |
| Meta keywords and website content relevancy | 2/6 good keywords |
| Google Adwords | Good but need more frequency |
| Social media channel | Need more interaction and promotion for the hotel image |
| CRM | Good |
| Online pricing strategy | Need more flexibility |

5 THE LINK BETWEEN ONLINE MARKETING INPUT AND EFFICIENCY

The final aim of online marketing practices is to bring more direct revenue to the establishment. It can be said that online direct revenue is the optimal measurement for the efficiency and effectiveness of the online marketing practices. Thereupon, to adjudge whether the three researched hotels were successful in drawing clients to book their stay directly, it is necessary to compare the online direct revenue of three hotels. (Table 24)

Table 24: Final comparison of the online marketing practices efficiency and effectiveness of The Bugibba Hotel, Radisson Blu Resort Malta St. Julians' Preluna Hotel & SPA

| Online marketing practices | The Bugibba Hotel | Radisson | Preluna Hotel & SPA |
|------------------------------|---|--|--|
| | <ul style="list-style-type: none"> - Controversially evaluated - Majorly rated as "Terrible" (Trip Advisor) | Majorly rated as "Excellent" on Trip Advisor | <ul style="list-style-type: none"> - Controversially evaluated - Majorly rated as "Very good" (Trip Advisor) |
| Email marketing | None | Active and frequent | Active but occasional |
| Layout and design | Good | Good | Need improvement |
| Keywords and website content | 44.4% | 60% | 33.3% |

| | | | |
|------------------------------------|--------------------------|------------------------|--------------------------------|
| relevancy | | | |
| Google Adwords Campaign | None | Effective and frequent | Effective but only run once |
| Social media channels | Need improvement | Good | Need improvement |
| CRM | Need improvement | Good | Good |
| Measurement tool | The Bugibba Hotel | Radisson | Preluna Hotel & SPA |
| Online direct revenue 2012 | 0 | 6.12% | 6.65% |
| Online direct revenue Jan-May 2013 | 19.1% | 6.38% | 6.49% |

Noticeably, in 2012, The Bugibba Hotel basically earned no online direct revenue because it had been operated as a hostel with main source of revenue coming from tour operators. However, from January- May 2013, the hotel's online direct revenue was 19.1%, which was apparently almost three times higher than Radisson Blu resort Malta, St. Julians' and Preluna Hotel & SPA. Meanwhile, The Bugibba Hotel was the hotel with lowest standard and quality of service (based on Trip Advisor guest reviews) and lowest input on its online marketing practices among the three researched hotels.

Moreover, Radisson Blu resort Malta, St. Julians' was very concerned about its online marketing activities, yet its online direct revenue in both 2012 and 2013 was the lowest.

Therefore, in the case of The Bugibba Hotel, Radisson Blu resort Malta, St. Julian's and Preluna Hotel SPA, these data revealed the view that high focus and inputs on online marketing is not the decisive element to bring high level of efficiency.

6 SUGGESTIONS FOR PRELUNA HOTEL& SPA

This section of the thesis provides suggestions to improve the online marketing practices of Preluna Hotel& SPA according to the analysis in previous section. This part of the research also discusses the feasibility of the suggestions based on the assessment of Preluna Hotel & SPA.

6.1 Suggestions to improve online marketing practices

As the analysis showed, obviously Preluna Hotel & SPA needed optimization for its website's layout and design, Meta keywords and website content, Google Adwords Campaign and Facebook page.

In details, up until May 2013, the website's appearance was as followed (Figure 25).

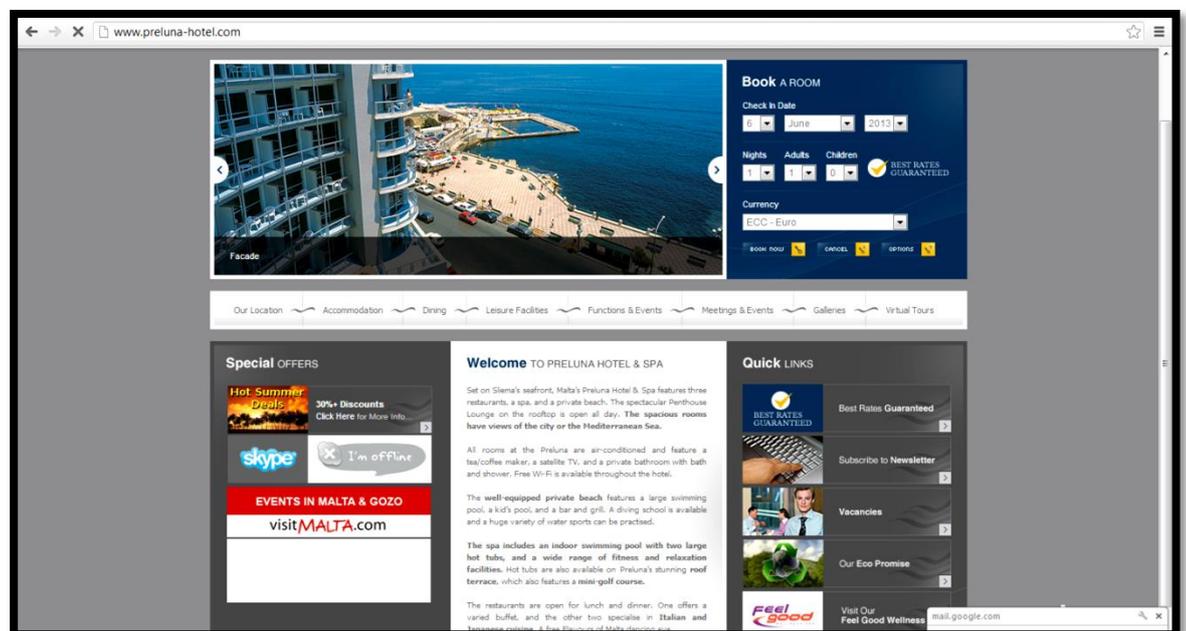


Figure 25: Preluna Hotel & SPA website homepage (till May 2013)

Easily seen, the grey background of the homepage was not eye-catching and lacks of holiday spirit. Since the hotel's logo was consisted of colours blue and grey, the author thus suggested the background being a livelier picture of the blue sea or a nice beach, which would well conveys the hotel's logo, as well as the holiday spirit of Maltese islands.

Together with food, entertainment and other facilities, accommodation is an important feature which defines the hotel's standard. The accommodation section of the Preluna Hotel & SPA website, however, was rather plain. (Figure 26)

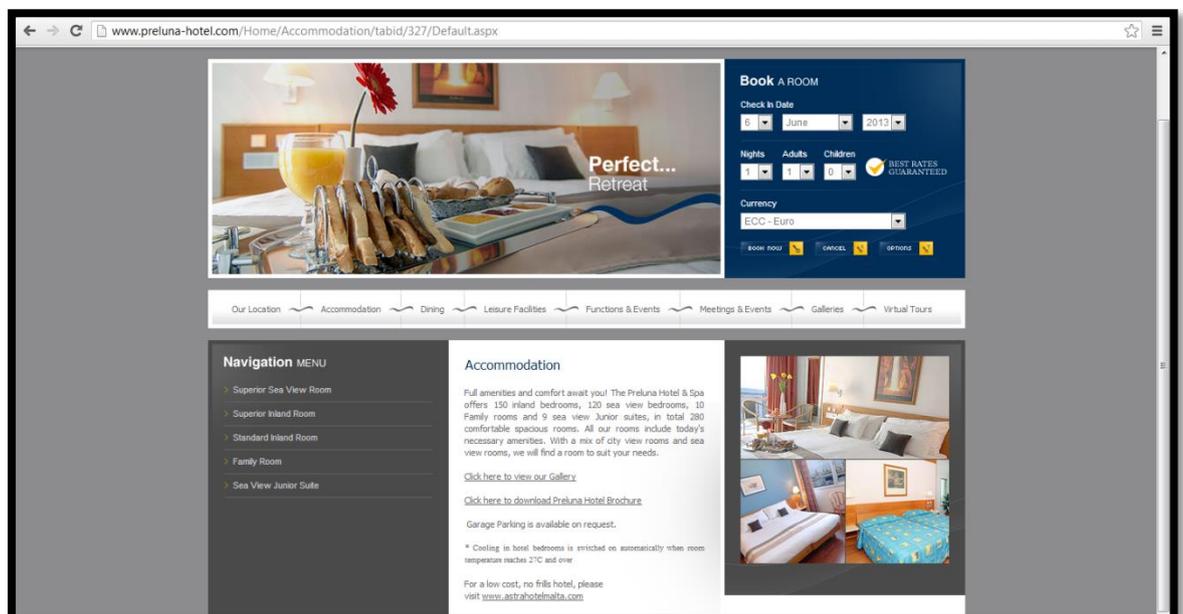


Figure 26: Preluna Hotel & SPA website, Accommodation section (till May 2013)

In order to make it more descriptive and illustrative to the customer, the author suggested a change to this section. When the clients clicked on the section, it would appear as follows. (Figure 27) In each room type section there should be brief description on the room feature, link to better room type and booking button.

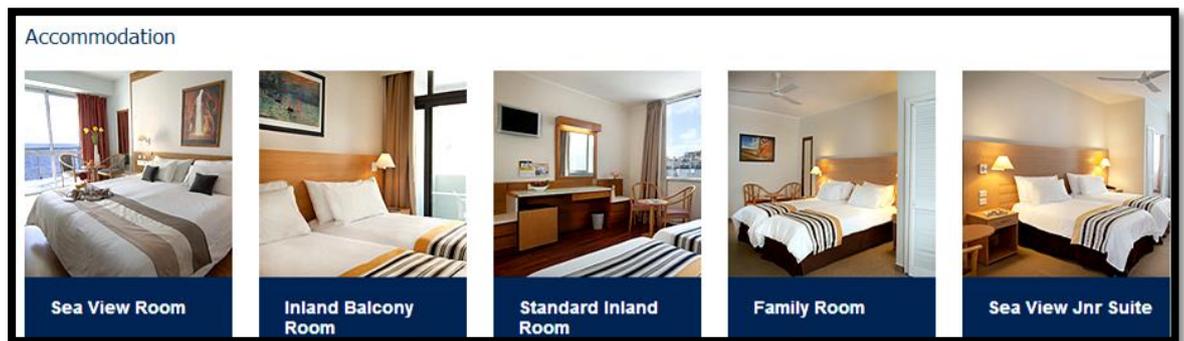


Figure 2: Suggestion to change section “Accommodation” of Preluna Hotel & SPA website

The same structure was suggested to be applied to other sections of the hotel such as Dining, Leisure Facilities and Events. There should be pictures illustrating all the facilities each section has to offer, and brief descriptions on each facility.

In addition, the author strongly suggested the hotel to update its gallery with more recent and good quality pictures of the hotel, like Radisson Blu resort Malta, St. Julian’s website.

In terms of the website Meta keyword and content, it was highly recommended that the content should be written descriptively in order to highlight the hotel’s quality, standard and offers. The description should contain several words or phrases which are popular and trendy. The Meta keywords should hence be chosen wisely to describe the general content of the website. As mentioned in previous part of the thesis, the more relevant these information, the more likely for the hotel website to have higher rank on the search engine result pages (SERPs), which will certainly lead to higher traffic to the website, and together with an appealingly designed website, there is more likelihood to have more online bookings.

As mentioned, the hotel had run only one Google Adwords Campaign since its earliest operation. Therefore, the author suggested the hotel to implement more carefully and wisely invested campaigns to earn more online bookings. Unlike The Bugibba Hotel and Radisson Blu resort Malta, St. Julian’s, Preluna Hotel & SPA needs Google Adwords campaign the most because of several reasons. The dissertation proved that The Bugibba Hotel possessed the advantage of having a name the same as the Bugibba, one of the most popular tourist areas in Malta, and “bugibba hotel” was a very trendy and common search term, according to

Google Trends. Therefore, the hotel earned traffic to its website easily. Together with low rate and a well-designed website, The Bugibba Hotel could earn positive online direct revenue regardless its low reputation on Trip Advisor. On the contrary, Radisson Blu resort Malta, St. Julians', with the advantage of belonging to a prestigious international hotel chain, thus having good Pagerank on Google, together with good relevancy between Meta keyword and website content, it was likely to earn traffic to the website. Along with its reputation and a high standard website, Radisson Blu resort Malta, St. Julians' could earn online direct revenue smoothly.

Regarding the hotel's Facebook page, there should be albums containing pictures of the hotel's rooms, restaurants and events. Moreover, there should be more posts promoting the hotel's features or upcoming events in Maltese islands. The hotel's Facebook administrator should also interact with the clients more often by answering enquiries or questions posted on the page, in order to create a friendly and hospitable image for the hotel.

6.2 Feasibility of suggestions for improvement

Of all the suggestions, Preluna Hotel & SPA utilized the idea of updating the hotel's website. However, since the cost of updating the whole website was beyond the budget, the hotel only changed the background and the "Accommodation" section of the website.

Although still rather outdated compared to the websites of The Bugibba Hotel and Radisson Blu resort Malta, St. Julian's, the changes in Preluna Hotel & SPA website since late June 2013 had brought more positive statistics concerning the website traffic. To illustrate, within June to October 2013, the bounce rate was around 36.91% and dropping-off rate was approximately 30%, compared to 37.45% and 42% of 2012 and 39.34% and 45.51% of the first five months in 2013 (Appendix 1). Therefore, it can be said that the appearance of the website does not only present the hotel's image but it also affects the interest of clients in interacting on the website.

Regarding other suggestions, the hotel considered yet due to the operation and budget, they had not been applied.

7 CONCLUSION

This research paper aimed at suggesting Preluna Hotel & SPA optimal online marketing methods and answering the question “Do high focus and inputs on online marketing bring high level of efficiency?”.

Firstly, by gathering, calculating and analyzing the statistics regarding online marketing practices of The Bugibba Hotel, Radisson Blu resort Malta, St. Julians’ and Preluna Hotel & SPA, suggestions for improvement of Preluna Hotel & SPA online marketing practices were drawn.

So as to enhance the impression of the clients with the hotel’s online image, the author strongly suggested the hotel to update its website and interact more with the clients on the hotel Facebook page.

In order to increase the ranking of the hotel website on SERPs, it was advised to re-write keywords and website content and run more Google Adwords campaign during the hotel’s promotion period and peak season.

Secondly, the online direct revenues of The Bugibba Hotel, Radisson Blu resort Malta, St. Julians’ and Preluna Hotel & SPA were used as a tool to measure the efficiency and effectiveness of their online marketing activities. Apparently, in the case of these hotels, more focus and inputs on the online marketing did not lead to high level of efficiency, which answered the research question “Do high focus and inputs on online marketing bring high level of efficiency?”.

To conclude, on one hand, the research paper reached the two aims which were set. On the other hand, the scale of this research was limited to only three hotels in Malta. Therefore, in order to answer the general question of the link between online marketing and level of efficiency, there is need for more case studies at bigger scale to allow a more accurate answer. Exploring the following as future research strategies can facilitate the attainment of this goal: detailed online marketing strategies of the studied hotels, detailed statistics on rate, budget and sales.

SOURCES

Christopher Zerres, Michael Zerres, 2008, Customer Relationship Management

2011, Email Marketing, The Internet Marketing Academy& Ventus Publishing ApS

Sarah Blake, Quirk Education, 2008, eMarketing: The essential guide to digital marketing, Quirk eMarketing (Pty) Ltd.

2011, Internet Marketing, Marketing Academy& Ventus Publishing ApS

Gareth Morgan, 2011, Pay Per Click advertising: How Google changed advertising and how to master AdWords

2012, Search Engine Optimization, Jacqui Carrel& Ventus Publishing ApS

The Carlson Rezidor Hotel Group, 2013, Retreat to this seaside St. Julian's hotel, Available at: <http://www.radissonblu.com/stjuliansresort-malta> (7.6.2013)

Malta Tourism Authority (MTA), About Malta, Available at: <http://www.visitmalta.com/> (7.6.2013)

National Statistics Office, 2009, Tourism, Available at: <http://www.nso.gov.mt/site/page.aspx?pageid=56>(7.6.13)

Malta Hotels & Restaurants Association , 2007, MHRA History, Available at: http://www.mhra.org.mt/top_menu/MHRAHistory/tabid/141/Default.aspx (10.6.13)

Malta Tourism Authority (MTA), 2010, Research and Statistics, Available at: <http://www.mta.com.mt/research> (10.6.13)

Valletta 2018 Foundation, EU Cultural Capitals News, Available at: <http://www.valletta2018.org/> (11.6.13)

World Travel & Tourism Council, 2012 Annual Research: Key facts, Available at: http://www.wttc.org/site_media/uploads/downloads/malta2012.pdf (11.6.13)

The Bugibba Hotel, 2011, The Hotel, Available at: <http://www.thebugibbahotelmalta.com/>
(11.6.13)

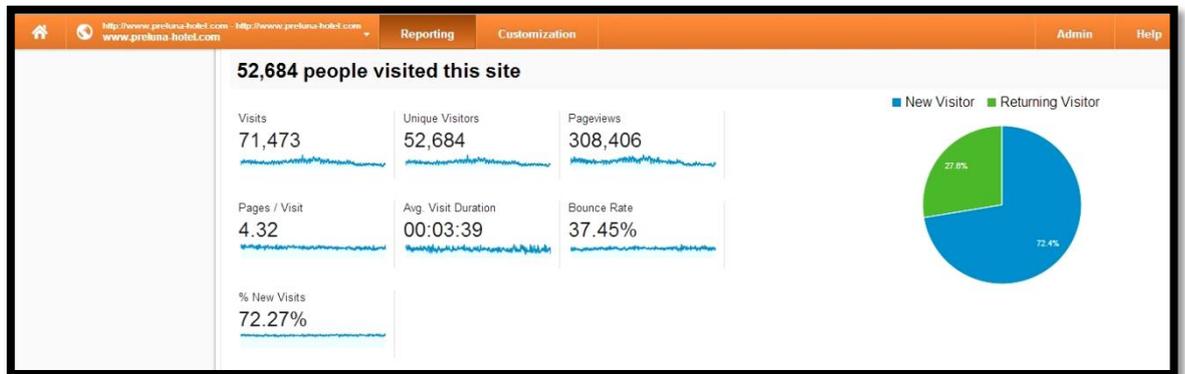
Preluna Hotel & SPA, 2009, Welcome to Preluna Hotel & SPA, Available at:
<http://www.preluna-hotel.com/> (14.6.13)

Erickson, 2011, Onsite vs Offsite SEO Strategies, Available at:
<http://www.yourseotoday.com/blog/bid/54875/On-Site-Vs-Off-Site-SEO-Strategies>
(9.10.2013)

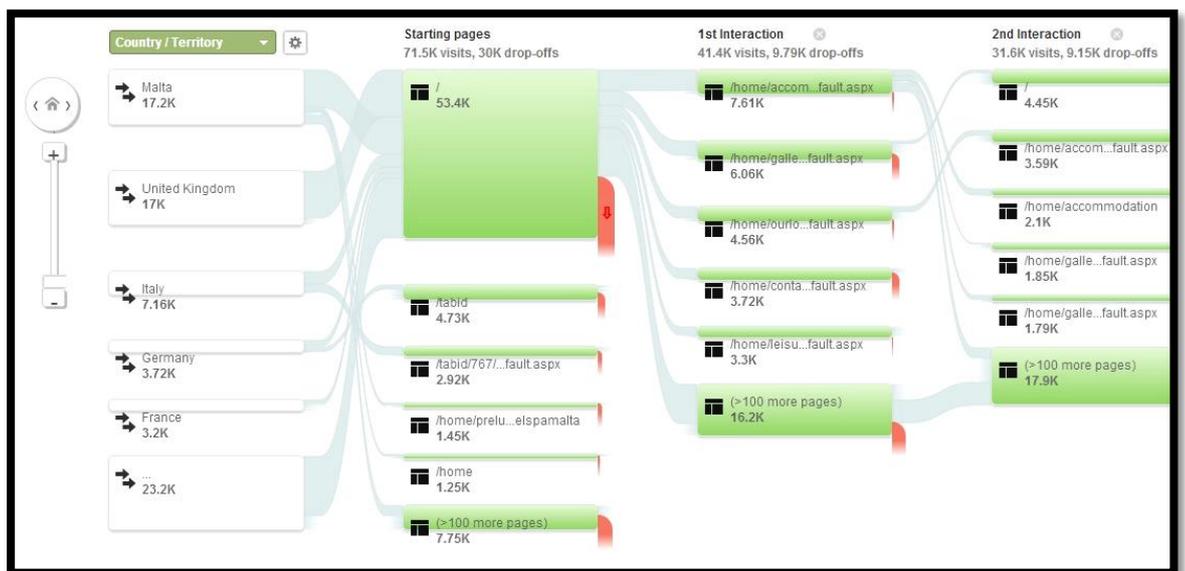
Vietnam SEO, 2010, Link Popularity- Thuật ngữ SEO, Available at:
<http://www.vietnamseo.org/thuat-ngu-seo/popularity-or-league.html> (15.10.2013)

Philip Kotler, 2012, What is Marketing? Available at:
http://www.kotlermarketing.com/phil_questions.shtml (11.11.2013)

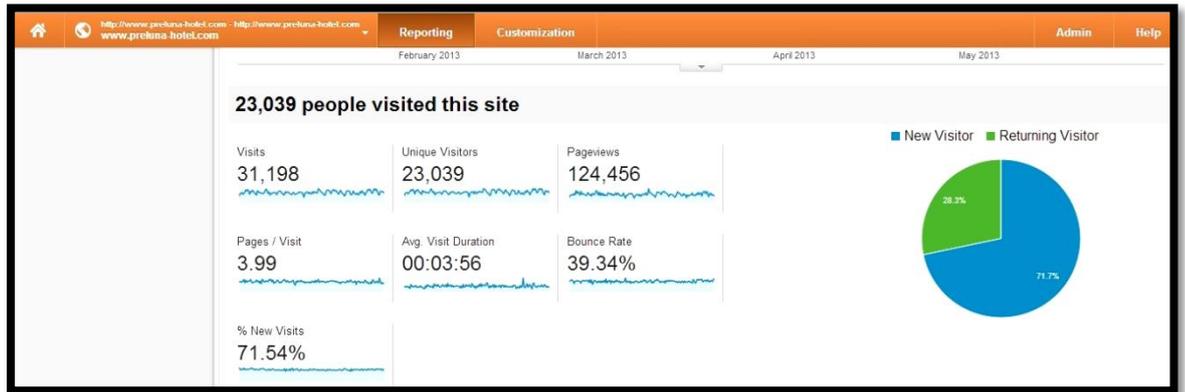
LIST OF APPENDICES



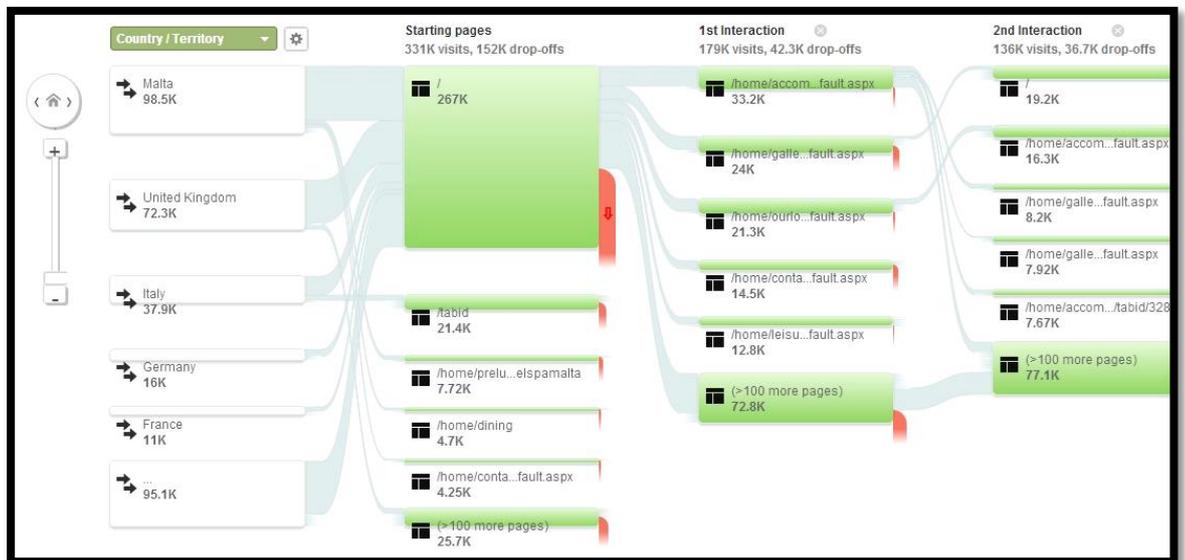
Preluna Hotel & SPA visitors information 2012, Google Analytics



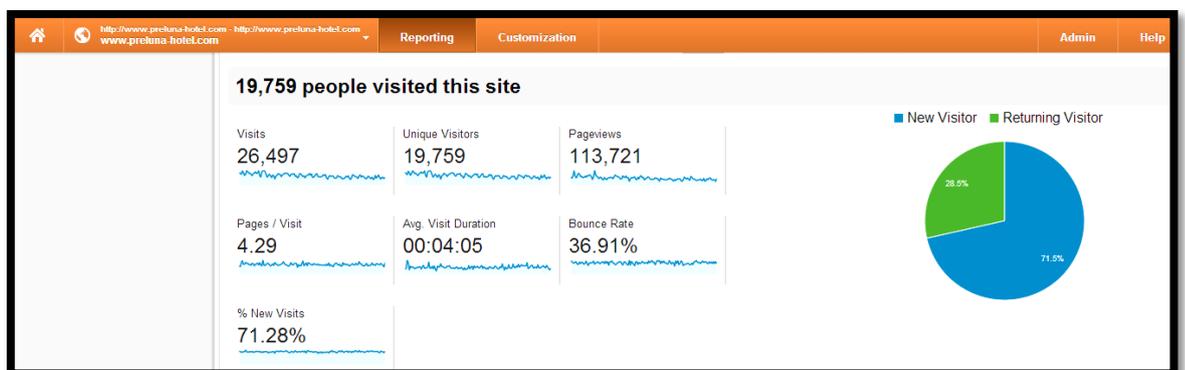
Preluna Hotel & SPA visitors flow 2012, Google Analytics



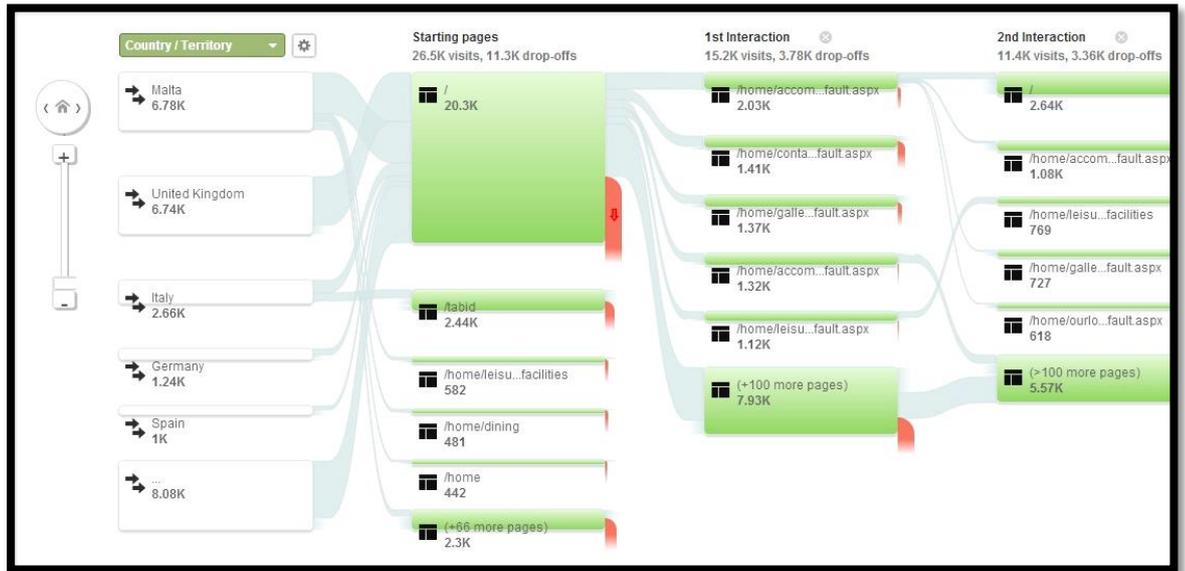
Preluna Hotel & SPA visitors information January- May 2013, Google Analytics



Preluna Hotel & SPA visitors flow January-May 2013, Google Analytics



Preluna Hotel & SPA visitors information June- October 2013, Google Analytics



Preluna Hotel & SPA visitors flow June- October 2013, Google Analytics