Beyond Status Updates and Tweets

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Abstract

Business courses that include real-world examples of firms leveraging social networking sites can deepen students' understanding of social media strategies and of how these sites differ from older media. Interestingly, many firms harness these sites for one-way communication with consumers but few capitalize on their ability to foster two-way communication and create relationships with consumers. Here we present a case study of three firms' online forum activities that illustrates both approaches to social media use as background for class discussion.

Introduction

Given the widespread use of social networking sites, such as Facebook, Twitter, forums and blogs, by both individuals and companies, it is reasonable to include a discussion of these technologies in business courses. Instructors can easily illustrate for students how social networking sites inexpensively extend the reach of firms' traditional broadcast-style (i.e. unidirectional) marketing messages. For example, advertisements can be shared with Facebook followers through status updates. Similarly, press releases about new products can be easily "tweeted" to consumers. Examples of how businesses can use social networking technologies to gather unbiased reviews of products/services and learn about the purchasing desires of a wide demographic of consumers are also available (Puri, 2007; Arnone, Geerts & Scoubeau, 2009; You, Xia, Liu & Liu, 2012; Dellarocas, 2003; Amis 2007; Xu, Liao, Li, & Song, 2011).

Examples of businesses that have moved beyond status updates and tweets to use social networking sites for *two-way* communication and to build meaningful relationships with consumers are more challenging to find.   This is unfortunate as it is the interactive and relationship fostering nature of social media that truly differentiates it from other media and that may hold the greatest value for businesses (Hallowell, 1996; Amis, 2007; You et al., 2012; Bodkin, 2013).

In this article we present a case study of three different hotel companies and their participation in Flyertalk.com, an online consumer community of frequent travelers. Using primary data gathered via a

survey of Flyertalk.com members and secondary data collected from forum posts, we provide examples of firms using social media both for one-way and two-way communication with consumers and present forum members' perceptions of these efforts. Our results may be used to guide class discussions about social networking strategies for business value and the meaningful differences between social and traditional media.

Case Study

Here we investigate three hotel and resort chains: Hilton Hotels, Marriott, and Starwood Hotels and Resorts and their activities within the consumer community Flyertalk.com. Flyertalk.com is a self-moderated community of frequent travelers who share a common interest in maximizing the value of their travel arrangements. The site began as a bulletin board on September 22nd 1995 and has since grown to include more than 200 forums with over 7 million posts and 13 million page views per month. Forum topics range from destination-specific information, such as the best "hang out" places and restaurants, to tips for maximizing loyalty program rewards, to service-related kudos and criticisms. Its members are highly active and loyal to the site - most contribute frequently and some even fly to attend community meet-up events called "do"s. Our selection of Flyertalk.com was based upon its longevity, its popularity, and the number and frequency of posts to the site. Competitors from the hotel industry were chosen due to the interest in these hotels and their rewards programs amongst a wide range of Flyertalk.com members. Each of these hotels possesses at least one representative profile in Flytertalk.com forums: Hilton Hotels' HHonorsRepresentative, Marriott's Marriott Concierge and Starwood Hotels and Resorts' Starwood Lurker.

Hilton Hotels and Resorts

Hilton Worldwide is a privately held international chain of hotels with over 3750 properties across 84 countries. The company's brands include poplar chains such as Double Tree, Embassy Suites, Hilton, and Hampton Inn. Hilton's guest loyalty program, called Hilton HHonors, started in 1987 and their involvement in the Flyertalk.com forums began on June 25th, 1999. Initially Hilton employed a single representative, Adam Burke to represent the firm on Flyertalk.com. A senior marketing director, Mr. Burke participated in the forums, creating 180 posts as HHonorsRepresentative until he left the position in January of 2009. Currently several Hilton employees staff the position of HHonorsRepresentative on a part time basis. The HonorsRepresentative's posts to Flyertalk.com are found solely in the HHonors Rewards forum.

Marriott

Although the company began as a humble root beer stand in 1927, today Marriott is an international company with more 3000 properties, and annual revenue topping $13 billion and over 150,000 employees. Marriott encourages repeat business though its guest loyalty program, Marriott rewards. Marriott's involvement in the Flyertalk.com forums, via the Marriott Concierge, began in late 2003. The Marriott Concierge is not a single individual but rather a team of employees. The Marriott Concierge participates only within the Marriott Rewards Forum.

Starwood Hotels and Resorts

Starwood Hotels and Resorts is one of the largest hotel chains in the world with over 925 properties and 155,000 employees. Starwood's involvement in Flyertalk.com began on Nov 22, 2000 with the introduction of a single employee representative, William Sanders, known in the forums as the Starwood Lurker. The Starwood Lurker interacts with the community as an official Starwood employee but also as a fellow frequent traveler. The Lurker participates in numerous Flyertalk.com forums.

Data Collection & Results

We began our investigation of the three hotel representatives' forum activities by examining their posts. Flyertalk.com allows forum members to view only the 500 most recent posts made by any individual and to our surprise the Starwood Lurker exceeded this limit in only 11 weeks. As a result, our first data collection was constrained to a period extending from April 21st, 2011 to July 9, 2011. This 11 week period included only eight posts by the Marriott Concierge and nine posts by the HHonorsRepresentative - an even more drastic difference in participation frequency than we had suspected. It is possible that hotel participation during this 11-week period is not representative of the hotels' ongoing and long term forum activity. Therefore, we also reviewed the lifetime posting counts for each hotel representative as provided by Flyertalk.com. Since joining in 2000 the Starwood Lurker has averaged 6.02 posts a day. In comparison, the Marriott Concierge and HHonorsRepresentative average only 0.29 and .11 posts per day respectively. These lifetime averages suggest that the extreme posting difference we found in our initial data collection was not unique to those 11 weeks.

It is clear from this data that the Starwood Lurker posts much more frequently than the other hotels' representatives and message frequency certainly plays an important role in brand recognition and product awareness. However, frequent posts can still be one-way communication that may or may not facilitate positive relationships with consumers (Godfrey, Seiders & Voss, 2011). Are there other differences in the hotel representatives' forum activities beyond post frequency? Examining statistics provided by Flyertalk.com revealed that the Lurker generates 38% (average 29 responses) more responses per thread than does the HHonorsRepresentative and 107% more responses than the Marriott Concierge. This illustrates greater forum member engagement by the Starwood Lurker than by the other hotel representatives and suggests the presence of two-way communication between the Lurker and forum members.

Seeking an "apples-to-apples" comparison of the nature of these firms' forum participation, we gathered a second set of posts that included the last 100 posts made by each firm. For HHonorsRepresentative, this included all posts from October 12, 2008 and July 9, 2011, all posts from March 10, 2010 to July 9, 2011 for the Marriott Concierge, and all posts between June 22, 2011 and July 9, 2011 for the Starwood Lurker. We then created a qualitative analysis instrument for categorizing the type and content of these posts. Several iterations of post classification and refinement resulted in six content categories for coding hotel representatives' forum activities: Announcements, Customer Service, Non-informational Response, Informational Response, Request for Offline Contact, and Unofficial Personal Participation. The Inter-rater reliability (Krippendorff's Alpha) of independent codings of a test set of 100 posts employing this instrument was .82 and considered sufficient to allow for coding the collected set of 100 posts for each firm.

Respective coding results of posts made by the HHonorsRepresentative, Marriott Concierge and Starwood Lurker are as follows: Announcements (16, 23, 4), Customer Service (8, 13, 14), Non-

informational Response (10, 11, 26), Informational Response (59, 50, 37), Request for Offline Contact (7, 3, 0), and Unofficial Personal Participation (0, 0, 19). From these results we see that the HHonorsRepresentative and Marriott Concierge both focused more greatly on one-way communication (Announcements) to extend the firms' existing marketing approaches than did the Starwood Lurker. HHonorsRepresentative and Marriott Concierge also posted many Informational Responses to forum members' inquiries. Although these posts constitute two-way communication they also emphasize the hotels' strictly professional approaches to forum participation. The Starwood Lurker provided Informational Responses as well but also offered Non-informational Responses, such as commiserating with his fellow travelers and offering apologies for their difficulties. Additionally, he participated in the forums as a fellow frequent traveler through Unofficial Personal Participation. Many more of the Lurker's posts were two-way communications and, unlike the other hotel representatives' post, were often personal versus professional. All three representatives dealt with customer service issues but interestingly, the Starwood Lurker tailored his responses to individual consumers and did not seek to resolve issues outside of the Flyertalk.com forums as his zero Requests for Offline Contact suggest.

Thus, in addition to posting with greater frequency, we see the Starwood Lurker participating in the Flyertalk.com forums in less formal and a more interactive way than do the other hotels' representatives. But do the Lurker's efforts positively influence forum members and thereby create value for his company? To answer this question we next gathered primary data from a short survey of Flyertalk.com members. The survey was posted to Flyertalk.com for one week's time during which 139 completed responses were gathered. Of these, 54 respondents select Hilton HHonors as their preferred hotel reward program, 36 selected Marriott Rewards and 49 selected Starwood Preferred Guest. Survey respondents were directed to different question sets customized to their preferred hotel reward program. For example, if a subject selected Hilton HHonors as their preferred reward program, he or she was given a set of rating items pertaining to forum participation of the HHonorsRepresentative.

Q1: Posts made by the [Hilton HHonorsRepresentative/Marriott Concierge /Starwood Lurker] on Flyertalk.com are highly valuable to consumers

Q2: [Hilton HHonors Representative/Marriott Concierge/Starwood Lurker]'s posts have positively influenced my impression of [Hilton Hotels/ Marriott Hotels/ Starwood Hotels and Resorts]

Q3: I am more likely to stay a [Hilton/Marriott/Starwood] property because of the [Hilton HHonorsRepresentative/Marriott Concierge /Starwood Lurker]'s posts on Flyertalk.com

For each question, respondents were asked to indicate their level of agreement on a scale of 1-5 (1 = strongly disagree, 5 = strongly agree). Results for Q1, mean value of posts for Hilton, Marriott, and Starwood were calculated to be 3.25, 3.28, and 4.32, with standard deviations of, 0.99, 0.81 and 0.79 respectively. Likewise, for Q2, the mean value of positive influence for Hilton, Marriott, and Starwood was calculated at 2.68, 3.14, and 4.0 with standard deviations, 1.00, 0.99, and 0.95. Finally, results for Q3, mean likelihood to stay in a property were calculated for Hilton, Marriott, and Starwood, to be 2.47, 2.75, and 3.22, with standard deviations of 1.04, 1.23, and 1.0.

The differences in the means, for Starwood and Hilton, and Starwood and Marriott pairs were significant at $p=0.05$ levels. However, we failed to find differences between the Marriott and Hilton pair. In other words, survey participants' had significantly different perceptions of the hotel representatives' posts.

Specifically, forum members perceive the Starwood Lurker's forum activities as more valuable to consumers, as creating a more positive brand impression, and as more positively influencing consumers' likelihood to stay, as compared to forum activities of the other reward programs' representatives. Meanwhile, respondents see little difference in value and influence between the posts of Marriott Concierge and the Hilton HHonorsRepresentative.

Discussion

An evaluation of forum posts made by the three hotels' representatives suggests that the Starwood Lurker participates more frequently and less formally than do the HHonorsRepresentative or the Marriott Concierge. The Starwood Lurker also harnesses the power of online forums to engage consumers in two-way communication and to build relationships with the Flyertalk.com community while the other firms use the forums primarily for one-way communication such as broadcasting announcements. Certainly, the Lurkers' method of participation is more time consuming than the approach taken by the other representatives but survey results suggest that forum members perceive the Lurker's forum participation as being more valuable and more positively influencing than the efforts of the HHonorsRepresentative or the Marriott Concierge. These perceptions may explain why Starwood has received so many Freddie Awards, awards based on frequent travelers' votes for their favorite frequent travel programs, in a variety of customer satisfaction categories. The Lurkers' work in Flyertalk.com is not Starwood's only customer outreach program, therefore isolating the benefits specific to the Lurker's community participation is difficult. However, Starwood believes its positive relationships with frequent travelers is due in large part to the Lurker's participation in consumer communities like Flyertalk.com and thus has expanded its representation in Flyertalk.com to include three additional "Lurkers."

Conclusion

In this article we provide a case study of three firms' use of a social networking site. Our analysis of both primary and secondary data suggests that firms which capitalized on the two-way communication and relationship building opportunities of social media may accrue greater business value from their efforts than do firms that use these technologies solely as an extension of their existing one-way marketing messages. This study provides a backdrop for class discussions regarding different approaches to social media use by today's firms. Further, this case provides a real-world example of how social media offers a wider range of opportunities for companies to interact with their consumers than do more traditional media such as television or radio. Instructors may extend the discussion by asking students to consider questions such as: (1) What other examples can you provide of firms using social networking sites for (a) one-way communication with consumers and (b) two-way communication and relationship building with consumers. (2) Why are other firms not participating more interactively in social networking sites as does Starwood Hotels and Resorts? (3) Is the Starwood Lurker's approach to forum participation, and resulting benefits, replicable by representatives of other firms or is it some aspect of Starwood's culture or William Sanders' (the Starwood Lurker) personality that makes it possible? (4) Do you think the approach taken by the Starwood Lurker would be as effective in influencing consumers' opinions in other industries or is there something unique about the hotel industry that contributes to his success?

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