



WHITE PAPER

The Connected Consumer

Rethinking The Social Customer Journey in Australia's Hospitality and Tourism Industry

HootsuiteTM

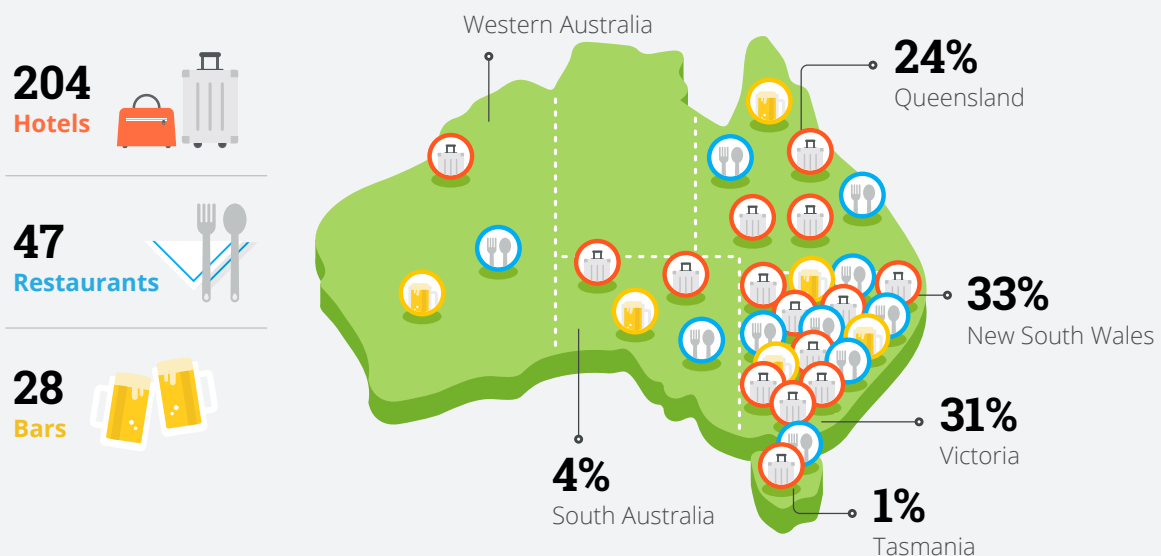
Foreword

In 1984, Crocodile Dundee star Paul Hogan famously offered to throw another shrimp on the barbie to lure North American tourists down-under as part of Tourism Australia's 'Come and say G'Day' campaign. Since then, culinary tourism has grown to be the leading hook in Australian and global travel¹. Hospitality providers have an unmatched ability to communicate a unique sense of place and history, and consumers are hungry to pursue culinary adventures to discover and understand cultures across the world.

As social media transforms the way people discover, consume, and share experiences, the customer journey is evolving, too. This paper explores this evolution through an analysis of social media behaviours and insights of people engaging with hotels, bars, and restaurants across Australia.

About the research

Hootsuite has analysed the social media behaviours of 297 hotels, bars, and restaurants across Australia. Insights were sourced from public activities of 29,152 Instagram users and 15,825 mentions across the social web using Hootsuite solutions. The sample comprises of 42,447 unique posts from Instagram users between 1 November 2016 until 31 January 2017.



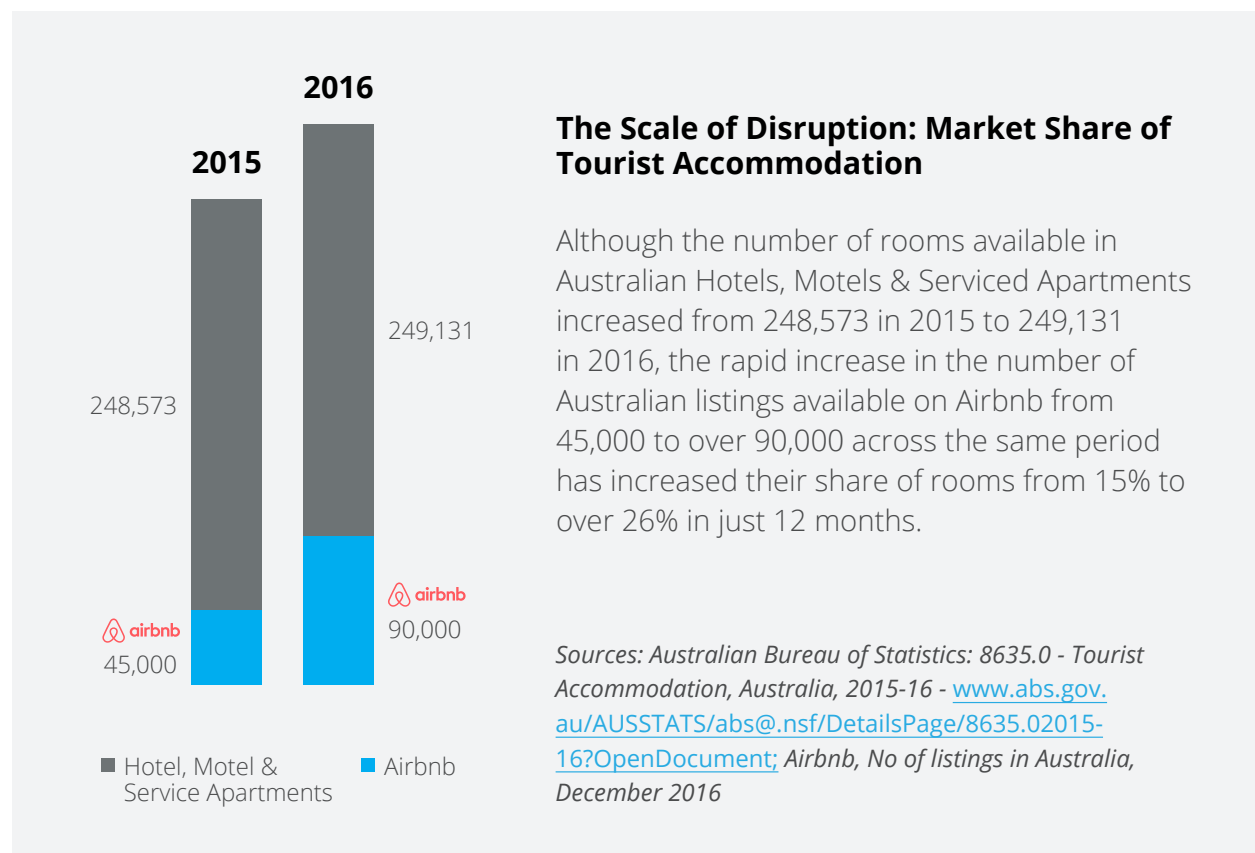
Introduction

A Hootsuite Whitepaper

The hospitality and tourism industry is in an era of unprecedented disruption.

Rapidly evolving technology, legislative instability, and the success of non-traditional players like Airbnb are transforming the hospitality and tourism landscape in Australia.

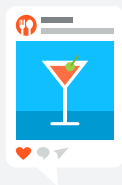
Social media has changed the way people discover, consume, and share experiences at bars, hotels, and restaurants. With more access to real-time information than ever before, the customer journey has evolved and organisations need to think *digital* first to meet the expectations of the modern 'connected consumer'.



As consumers spend more time online, it's important for organisations to embrace social innovation.

In this increasingly competitive environment where physical and virtual environments are converging, companies need to be ready to engage customers anytime, anywhere.

Australians are now thinking 'digital first'. Whether we are seeking inspiration for our next adventure or living vicariously through celebrities and influencers, we are discovering, researching, and purchasing new products and services on social media.



Australian hotels, bars, and restaurants are tagged on Instagram every
28 seconds.

From Albury to Adelaide, Hawthorn to the Hunter Valley, we are witnessing not just a leap in technology, but a fundamental cultural shift. This evolution means businesses are no longer questioning whether social media is impacting revenue and key business goals, but to what extent social can be leveraged to drive business outcomes.

With industry leaders across the world investing heavily into the transformation of their customer experience, marketing processes, and technology platforms, the research uncovered that nearly half of all Australian hotels, bars, and restaurants are not actively engaging in conversations with their customers on social.

"Social is reshaping how communities communicate, trade, work, and live together. Flights, hotels, bed-and-breakfasts, tours, attractions, cities, people, transport, and everything on a trip for both business and leisure is documented with the tap of your phone's camera."

Robin Maes, Director of Digital Media, Event Hospitality & Entertainment

The New Social Customer Journey

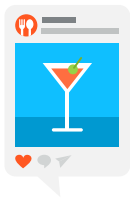
Discovery Via Social

Social is the new search



1-in-2 Facebook and Instagram users turn to social first to discover or research potential purchases.

Mobile connectivity and its penetration into every aspect of daily life has enabled consumers to discover new content and information anywhere, anytime.



Less than 20% of Australian hotels, bars and restaurants are publishing content daily on Instagram.

In Australia, social media usage grew 14% in 2016 with 16 million² people now active on at least one social platform. What's more, social media is among two of the three most-used and influential sources of news and information, outranking other traditional sources in terms of frequency of use³.



75% purchase decisions for individuals aged 18 - 26 are influenced by recommendations on social networks.

Customers go beyond travel agents and online reviews to guide their decisions. They actively scour social platforms to discover and share information. 50% of Facebook and Instagram users turn to social media first to discover or research potential purchases. 37% of internet users are wading through location tags, hashtags, and following 'influencers' to discover and research brands and their products⁴.



65% of brands analysed are publishing content less than once a week.

Currently, 20% of brands with activity on their location tag don't have an Instagram presence, and half of all hotels, bars, and restaurants with an account are not engaging with consumers at all.

To be discovered by these connected consumers, hospitality and tourism organisations need to actively participate on social media. Early movers have already begun to see success and there is a huge opportunity for the rest of the hospitality and tourism industry to embrace and expand social media marketing opportunities.

Organisations also need to consider *how* they're going to leverage the opportunities social media offers. By only publishing, our research indicated that brands are limiting themselves to less than 9.5% of their potential audience reach on Instagram⁵.

From the research, tradeoff between 'popular' and 'personal' content was observed. Brands are finding success and creating meaningful relationships with consumers by tapping into resonant content and influencers. Those leveraging a mix of user-generated content and hyperlocal recommendations helped foster connections with more users than those who did not.

While great content is the key to being discovered by consumers, the ability to leverage alternative discovery tools, like hashtags and location tags, across social platforms are just as crucial.

When it comes to driving brand awareness and engagement, travel and hospitality brands are also discovering the value of social advertising. Proven as an effective means of driving new business, successful advertisers understand the platforms they are advertising on are natively social. With social platforms being built upon community and conversation, social is not a 'set and forget' media channel, and brands need to be prepared to engage in conversations with potential customers.

Conversion and consumption

Consumers share their experiences in real time



4.5x more Australians location tag a hotel, bar or restaurant than mention it when publishing content on Instagram.



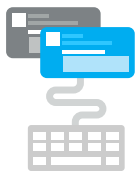
An Australian hotel, bar or restaurant is location tagged or mentioned on Instagram every **28 seconds**



71% of consumers make purchasing decisions based upon what they discover on social media.



65% of brands analysed are publishing content less than once a week.



56% of users prefer to engage with businesses on social rather than by phone.



35% of social media users prefer asking a business a question via social.

Social is driving bigger increases in online and retail traffic than any other online channel, with 71% of consumers make purchasing decisions based on what they discover on social⁶.

The evolution of online purchasing to 'Social commerce' has been hyped before, but recent developments offer more ways to drive revenue from social. In North America, Pinterest's transformation has made it an early leader, while in Asia-Pacific messaging apps like WeChat offer omni-channel experiences to their users.

Facebook, for example, recently improved the mobile shopping experience by allowing consumers to make purchases directly through the platform instead of being redirected to a brand's website.

Platform developments alone aren't driving conversion through social. As technology continues to blur the line between online and offline customer experience, brands are leveraging real-time engagement to drive business outcomes through enquiries, reservations, and leads.

Social has increased the scale of information available to organisations - in turn, raising the expectations to be on top of any reviews, content, or conversations that involve their brands in real time⁷.

More than half of all social media users are more likely to shop with businesses they can message directly. 56% would rather engage directly with brands via social media than call their helpline, and 35% prefer asking businesses questions through a social network⁸.

4.5 times more Australians location tag a venue than mention it on Instagram, yet only 4% of hotels, bars and restaurants are actually engaging with customers who are on their location tag. The opportunity to guide customers through their purchasing journey is being overlooked by a significant majority of the industry.

Connection and retention

Building relationships that last

Acquiring new customers is important, but brands also need to pay attention to retaining them. Engaging with and personalising experiences are central to building lasting relationships.

Throughout the peak 2016-17 tourism season in Australia, less than 45% of the industry was engaging with customers on their own social channels—with half of all hospitality brands on Instagram not engaging in conversations at all.

For those brands who are engaging, an immediate payoff is in perception. Brands that are engaging their customers every 24-48 hours on Instagram are perceived 20% more positively than those who do not.

Organisations that actively engage customers on social drive customer retention through personalised experiences and the development of a human connection. People are also more likely to appreciate a hotel or restaurant that responds proactively or reactively to negative feedback.

“Technology helps facilitate person-to-person strategy. Social enables Flight Centre to maintain constant conversation, in real time—offering competitive insight on the industry as a whole.”

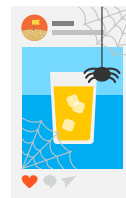
Darren Wright, CMO, Flight Centre Australia



Half of all hotels, bars and restaurants are not engaging in conversations with their customers on social.



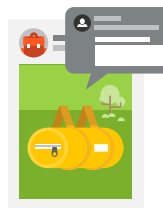
Only 4% of hotels, bars and restaurants are engaging with customers who tag their location on Instagram.



25% of Australian hotels, bars and restaurants on Instagram are not actively publishing or engaging with users on the platform.



30% of social media users provide feedback about a business.



Less than 45% of hotels, bars and restaurants are engaging with social media users.

5-Star Reviews

There is an expectation for organisations to be on top of any reviews, content or conversations that involve their brand. While their formats differ, an interesting relationship exists between TripAdvisor and Instagram. Hotels, bars and restaurants who are socially active are not only perceived 20% more positively, but those who publish content every 24-48 hours on social achieved a 5% uplift in ranking and reviews on TripAdvisor.



KDD07
Perth, Australia
1 review

"Location and Service - top notch"

★★★★★ Reviewed 3 days ago

Although the property is a little tired the location and the staff are totally amazing. I can highly recommend the apartments facing the Botanical Gardens - although the view is not of the Sydney Harbour Bridge or the Opera House you can sit on the balcony of an evening after a long day of sightseeing enjoy a meal or a glass of wine and feel totally relaxed looking at the park. Thank you to so much to the staff you made our stay such a wonderful experience.

Room Tip: Rooms overlooking the Botanical Gardens are every bit as special as those with the few to the bridge...

[See more room tips](#)

Stayed February 2017, travelled with family



bobbyVAM
London, United Kingdom
Level 4 Contributor

35 reviews
14 hotel reviews
25 helpful votes

"Great location. Good value"

★★★★★ Reviewed 1 week ago via mobile

Stayed in a one bedroom suite overlooking the harbour.

The good: Great views of the bridge. Large room. Big bed. Great walk in shower. Full kitchen, including washing machine and tumble dryer - along with washing powder. Great breakfast, included. Very friendly reception, restaurant and bar staff.

The not so good. Housekeeping was slow and not as detailed as I would expect. We left the room early, hung out sign to clean room - and often returned mid afternoon to find room had not been attended to. Bathroom products not replaced until requested. For the size of suite I would have expected two sinks in the bathroom. The sink in room 507 is cracked. And not recently by the look of it (we did remark on this on arrival).

Stayed February 2017, travelled as a couple

Cleo S, General Manager at Pullman Quay Grand Sydney Harbour, responded to this review

Dear KDD07,

It is wonderful to hear that you had a fantastic experience here at the Pullman Quay Grand Sydney Harbour. As a team, we continuously work on maintaining our standard of service to ensure each and every experience is a memorable one. It is something we constantly work towards and your feedback serves as a wonderful encouragement to the staff. Thank you again for sharing your experience and hope to welcome you back soon.

Warm regards,

Cleo S

Cleo S, General Manager at Pullman Quay Grand Sydney Harbour, responded to this review, 1 week ago

Dear bobbyVAM,

thank you very much for taking the time to leave us a review. It is a pleasure to hear that you enjoyed your stay with us and your interactions with our staff. We do pride ourselves in excellent customer service and it is fantastic to hear that you enjoyed such.

I am sad to hear that there was a downside to your stay, please accept my sincerest apologise, I am sorry we have let you down. Please rest assured that I will personally follow up with the housekeeping and maintenance team to ensure these matters are addressed and do not occur in the future.

Thank you again for sharing and we look forward to welcoming you back to Pullman Quay Grand Sydney Harbour on your next trip to the city,

Warm regards,

Cleo S
General Manager

Role of influencers in the social customer journey

Social media influencers such as bloggers, Instagrammers and YouTubers, are another fast growing customer acquisition tool for brands across the industry. With hospitality and tourism being amongst the first industries to leverage influencers heavily, we wanted to dive deeper into the role and impact of influencers.

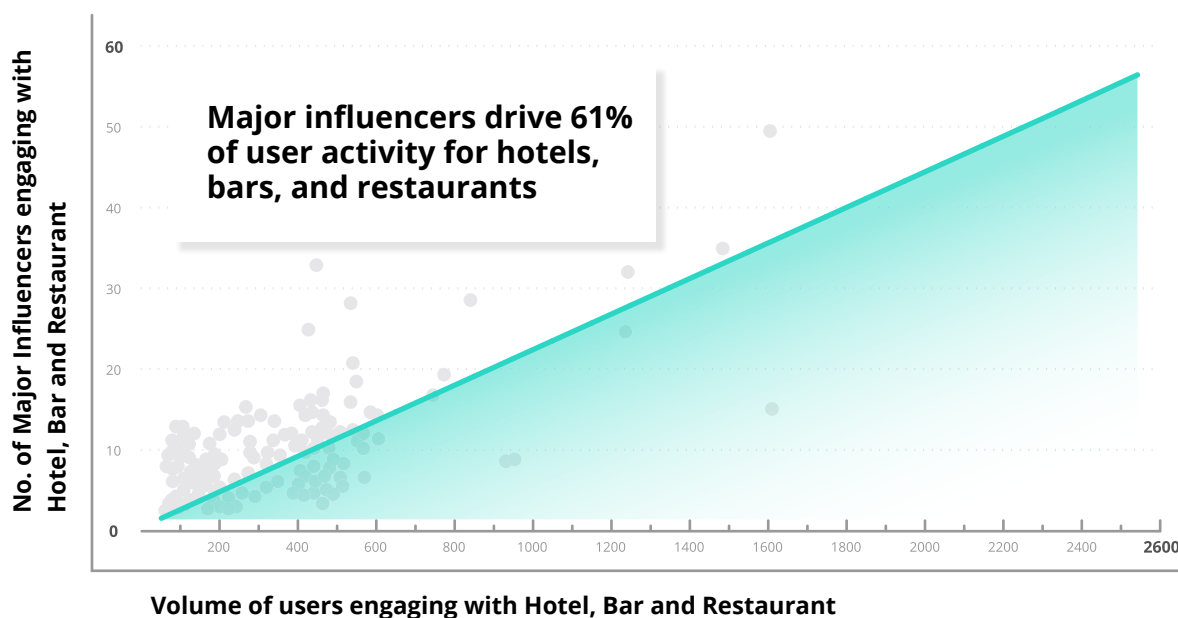
While an influencer is technically anyone who wields that influence amongst an audience, no two influencers are the same - and neither are the actions they can drive from their audience.

To do this, we segmented influencers into two categories: Micro Influencers—Instagram users with 1,000 - 10,000 followers; and Major Influencers—Instagram users with over

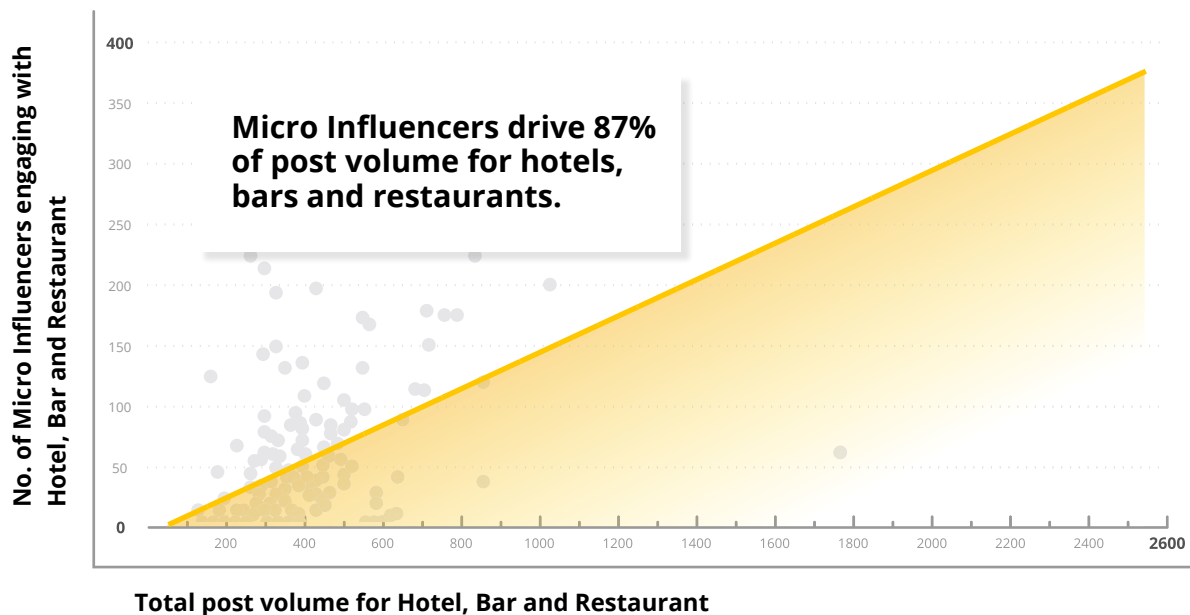
10,000 followers. Micro influencers are the 'hometown heroes' that tend to have more localised followings within their community or within a specific audience. Major influencers are those with significant and established profiles and audiences.

Supporting the general industry perception, there is a strong correlation between influencer activity as a whole on post volume and the total number of interactions which brands receive on Instagram⁹. The actions which micro and major influencer engagement deliver for hospitality and tourism organisations are considerably different.

What does this correlation look like?



Sample: 894 major influencers engaged with 219 hotels, bars, and restaurants across Australia on Instagram, from 1 November 2016 to 31 January 2017.



Sample: 4,978 micro influencers engaged with 262 hotels, bars and restaurants across Australia on Instagram, from 1 November 2016 to 31 January 2017.

Major influencers drive the *number of users posting* about a hotel, bar or restaurant. On average, 60.62% of the change in the volume of user activity for a hospitality brand can be attributed to activity of major influencers. On the other hand, 87.5% of the change in the *volume of posts* per user related to a brand can be attributed to micro influencers. These findings imply a strength of major influencers to be in awareness, and for minor influencers in action.

While the strengths and success of influencers will depend on an organisation's strategy, the real value of any influencer is in advocacy. For hospitality and tourism brands, a smaller but highly engaged follower count could be more powerful.

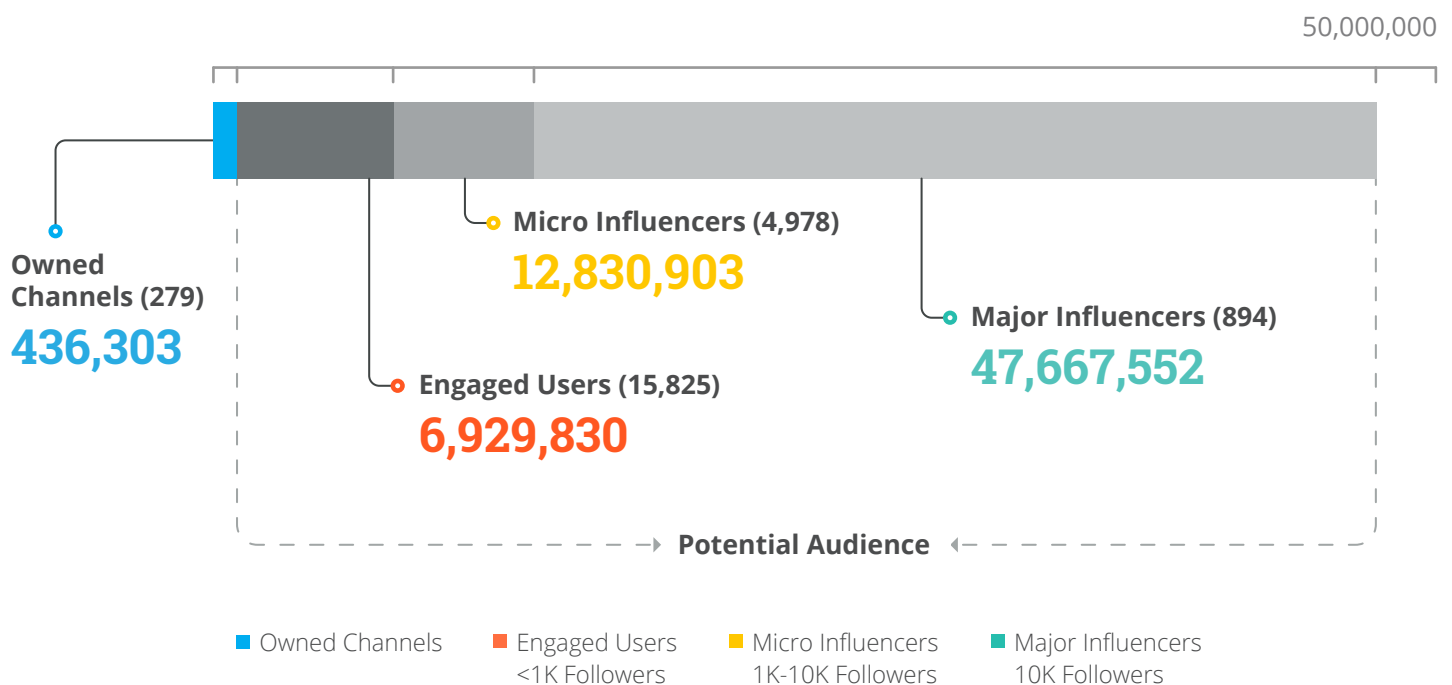
Increasingly, brands are also seeing the value in employee advocates. In some cases, employees collectively hold more power and reach than brands on social media channels.

AccorHotels, whose portfolio ranges all the way from budget to luxury properties, increased their reach six-fold with such an approach. By enabling each hotel and their employees to develop a constant stream of content for their own social channels, they are proactively building relationships with customers before and after their stay.

Could the impact of employee advocates scale in a similar trend to micro influencers? 72% of the general public trust social media content shared by friends and family, according to a global study by Edelman. With their opinions and perspectives being trusted more than those of CEOs, well-known online personalities, elected officials, and celebrities¹⁰, their impact on hospitality and tourism brands has the potential to be truly significant.

How large an audience could hotels, bars, and restaurants be reaching?

On average, Australian hotels, bars, and restaurants who publish content, and do not engage with their audience or influencers are limiting themselves to less than **9.5%** of their potential audience on Instagram.



Conclusion

Social media has vastly increased the scale of information available to be leveraged by organisations—in turn, raising the expectations for them to be actively engaging in the content and conversations relevant to them.

As consumer habits evolve and social commerce becomes a reality, social media is poised to become the most significant channel for hospitality and tourism brands to engage with customers, build long-term relationships, and ultimately drive the bottom line. Engaging customers in real-time, leveraging location data and actively encouraging staff to share updates on their own social media accounts are set to be the key differentiators the leaders and laggards in the digital first industry.

Customer experience is built throughout the customer journey, with social providing limitless touch-points for organisations to engage with customers.

To reap the rewards from social media at scale, organisations need to think digital-first, expand their social media teams and find creative ways to not just solve problems, but to ensure great customer experiences. Digital transformation requires more than using social media to listen and connect with customers. It also involves a broader shift in how organisations relate to and include employees in their social initiatives.

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About Hootsuite Enterprise

Partner with Hootsuite to accelerate your social transformation



Hootsuite is the most widely used platform for managing social media, loved by over 15+ million people around the globe and trusted by more than 800 of the Fortune 1000.

Hootsuite Enterprise empowers organisations to execute business strategies for the social media era and scale social media activities across multiple teams, departments, and regions. Our versatile platform supports a thriving ecosystem of social networks complemented by 200+ business applications and integrations, allowing organisations to extend social media into existing systems and programs.

Along with our channel and agency partners, we help organisations build deeper relationships with customers, stay connected to the needs of the market, grow revenue, and draw meaningful insights from social media data. Innovating since day one, we continue to help organisations pioneer the social media landscape and accelerate their success through product training, group training and tailored organisational training, as well as security and compliance services.

Request a custom demo today by visiting enterprise.hootsuite.com

Trusted by over 800 of the Fortune 1000

