

# Social Media & Web 2.0: Take Control of the Selling Process

How developers can manage their on-line reputation and get their owners and guests to do the selling for them

BY NIKI CHRISTIAN NUTSCH



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**T**he tourism and hospitality industry, described as an information intensive business, has always been influenced by developments in information and communication technologies. The Internet and social media are considered to have changed how travellers gain information, plan their vacation, and shop for products and services like hotel accommodation or air travel. Travel-related review and rating Web sites like TripAdvisor, Fodors, and Lonely Planet increase travellers' confidence and reduce the risk, and therefore, facilitate decision-making. A significant number of consumers are now able to use the Web, not only as recipients of information—a prevailing function of the Web 1.0 era—but also as information and content creators for use by others (Web 2.0). Such developments challenge the traditional marketing and sales process for all hospitality and travel organizations, including vacation ownership companies.

### Changing the Rules of the Game

Before the explosion of social media, which gives consumers the ability to share their opinions and experiences about all products and services, vacation ownership marketers held the upper hand in the sales process. They were able to fully shape the message about product concepts, costs, and benefits of the specific products they sold.

Today, however, an increasingly high percentage of potential vacation ownership

purchasers arrive at sales tables armed with information, opinions, and intelligence about exactly what they may be buying. The ones who do not make good for it after they have left the sales gallery, particularly if they have just purchased a product for several thousands of their hard earned dollars. Social media networks like Facebook or Twitter, travel blogs, travel review sites (like TripAdvisor), or specialized on-line forums like TUG (the "Timeshare User's Group," claiming to have more than 60,000 members) have triggered a fundamental shift in power from the resort developer to the consumer. They provide potential buyers a rapidly growing and easy-to-access source of consumer-oriented information and advice on vacation ownership products, resorts, and concepts.

In my opinion, these developments are already about to turn upside down what has been working for sales and marketing in our industry over the last decades. Sales no longer have information authority, as the product and market knowledge shifts toward consumers who have also begun to define brands on an individual basis. Now, a brand is no longer what cooperate marketing tells the consumer it is—it is what consumers tell one another it is. The very same applies to the quality of a vacation ownership product concept. Consumers are becoming increasingly empowered in their decision-making. From a suppliers' point of view, this is unintended and largely uncontrolled, as businesses are unable to restrict the search processes and possible choices available to consumers through their use of Information and Communication Technology (ICT).

## Changing the Role of the Consumer

However, social media does not only increase the capability of consumers to make informed decisions, it has also changed their role in the marketplace. The vacation ownership industry traditionally depends heavily on word-of-mouth referrals and the spread of positive vacation experiences. Social media provides the perfect platform for this, and consumers are increasingly taking over additional roles, as adverts, satisfied/dissatisfied owners, renters or resort visitors share their experiences about products or services with others.

In their role as producers, a new generation of clients produce information (reviews, comments, assessments, photos and videos) and share them with others—largely unmonitored and uncontrolled because resort developers are unable to restrict the possibilities available to consumers through their use of ICT. At the same time, apart from their function as

information sources, social media enables storytelling and a sense of belonging into a virtual travel community providing an ongoing engagement with family, friends and social networks via photos, videos, and comments post vacation activities, via reviews, photos, and videos. Potential buyers and already existing owners in the market for purchasing vacation ownership products, nowadays much more than in the past, perceive that they have alternative suppliers and alternative product-concepts from which to choose. Their zone of tolerance is likely to be smaller and they are more likely to reject value propositions of unsatisfactory quality, as they tend to have higher perceived quality expectation.

## Industry Challenges and Opportunities

Whether or not we like the idea, we all operate in a “reputation economy”—a marketplace where the stakeholder support is now based more on perceptions of your

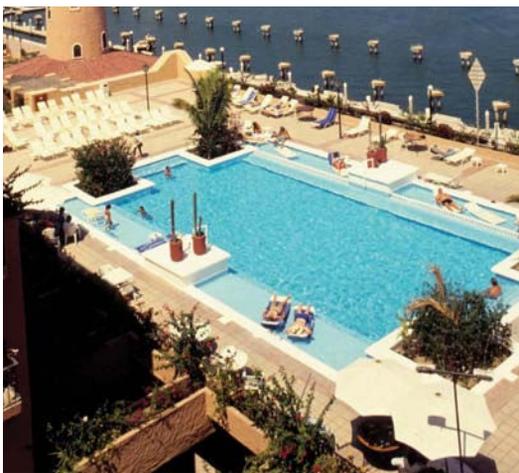
## Key Facts

- 92% of all consumers say they trust earned media (not paid for media) while 47% said the trust paid advertising, such as television spots, magazine ads (*Source: WAYN for the World Travel & Tourism Council*).
- TripAdvisor branded sites make up the largest travel community in the world, with more than 200 million unique monthly visitors, and over 100 million reviews and opinions (*Source: TripAdvisor*).
- 70% of global consumers say online consumer reviews are the 2nd most trusted form of advertising, after referrals by family and friends (*Source: WAYN for the World Travel & Tourism Council*).
- Only 39% of the decision is based on product perceptions, while 61% are based on perceptions about the company behind that product (*Source: Forbes*).

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## SALES & MARKETING

company and your brand than on your products or services. Who you are matters increasingly more than how nice your resort is or how great your product concept is.

Social media is already essentially shaping owners' and potential client's perception of that brand. This changed market reality brings about both challenges and opportunities for resort developers and marketers in the vacation ownership industry. In order to be prepared to navigate in this economy, leaders in the industry need to harness a thorough understanding of their stakeholder "ecosystems," so as to drive behaviors that will lead to sustainable growth.

Reputation management—the practice of understanding and influencing your business's reputation and staying on top of what is being said about your resort(s), your brand and handling those conversations in a responsible way—is one of the most important challenges for years to

come. Proactive reputation management, as already implemented by most of the large hotel chains, has several different components: (1) monitoring what people are saying, (2) controlling what people see first, and (3) responding to positive and negative feedback.

Monitoring what people say will help you know whom to acknowledge for positive feedback and whom to address when negative issues arise. It will also help you prevent false claims from spreading on the Internet, learn from mistakes and also to improve your products and services. As people who have had a positive experience with your vacation ownership product do not tend that often to write about it compared to people who had a bad one, you are more likely to get negative feedback rather than positive ones. If you can control what people read on the first pages, when they type your brand or resort name in search engines like Google, this will help manage

your reputation online and probably save you a lot of cancellations. Nowadays, sophisticated Online Reputation Management software makes it easy to track any mention of your resort, brand or product online, track feedback across the entire social web and to directly respond to consumer's feedback and opinions.

However, social media also presents a golden opportunity for the industry to make greater contact with its owners and potential customers, with an ultimate goal of developing a partnership for brand growth and development. One great advantage is that owners and resort guests are willing to share information about their likes and dislikes. Developers and management companies should aim to keep them involved in a conversation via Web sites, mobile apps, and social media channels. A comprehensive strategy of owner and guest engagement will

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## WAVES OF CHANGE

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going a little above expectation), you never forget that. You become a raving fan.”

### On ARDA

Hanning is looking forward to working at the top-line level with ARDA as Chair, guided by the Strategic Plan which was built for 2013-2015.

In terms of his top priorities within that plan, he says that he sees it in terms of “buckets,” as in regulatory/legislative work, product development, etc. ARDA’s work in the regulatory environment remains absolutely top on his list of concerns, for it is so critical to the overall success and health of the industry—“especially for sold-out resorts.” So where tax issues may not be the most “sexy” of topics, he notes, “the work just has to be done.” He plans to support the great work ARDA is already doing on these fronts, adding his expertise where needed.

He’s also excited about growing the business across several fronts—whether that means internationally or just in terms of product flexibility.

“Growing the business internationally excites me because we’re a big company, but I’m not

sure it excites all the people in the business and I understand that. I look at growth as being in new markets in any sense—not necessarily only on the international front. It can certainly apply right here at home, as there are still a massive amount of people who are in the sweet spot for us, potential buyers who don’t yet own our product. So, finding new owners over the next 10-15 years means that we have to take a really hard look at our product and its core relevance.”

His belief in the vacation ownership product comes from his conviction that core values really don’t change over time, that what’s important to him will be important to his children.

Overall, he’s excited to take on the role of ARDA Chair—honored to join the ranks of those men and women who have come before him in this leadership role as true pioneers and influencers of the industry. ■

## SOCIAL MEDIA & WEB 2.0

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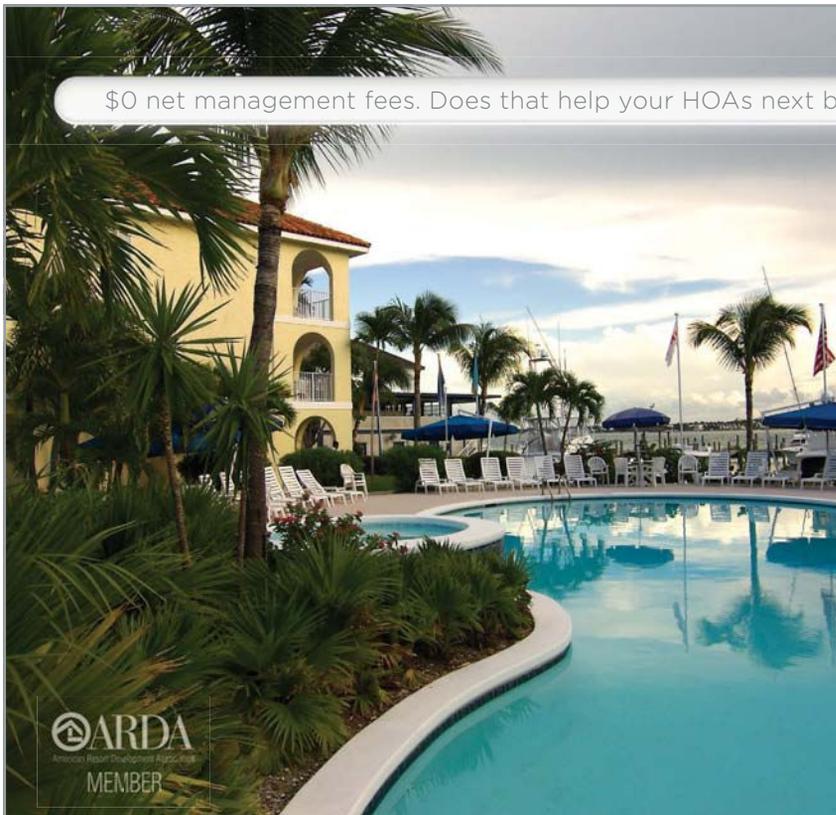
employ all social media, whether it is TripAdvisor, Facebook, Flickr, YouTube, or Twitter. It will also help you keep an eye out for new applications and customer demand-drivers. ■

## TRUST US

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design/implementation or conversion to point-based trusts, fractional ownership developments, and destination clubs.

Marmorstone says: “The transition from a week-based program to a points-based trust program on an existing week-based program can be accomplished simply in less than six months. The financial and flexibility benefits to all stakeholders are compelling and deserve serious consideration by any association board or developer.” ■



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