



SEVENTHARTMEDIA

#7AMEDIA WHITEPAPER SERIES: HOSPITALITY BRANDS AND FACEBOOK - IDENTIFYING THE OPPORTUNITIES

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This is the first issue in a new series of whitepapers published by Seventh Art Media. To see other Seventh Art Media whitepapers and to learn more about us please visit www.SeventhArtMedia.com

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INTRODUCTION: HOSPITALITY BRANDS AND FACEBOOK – IDENTIFYING THE OPPORTUNITIES

by *Doug O'Reilly & Oliver Sohn*

Facebook surpasses Google in US online traffic, Mark Zuckerberg is Time Magazine's Person of the Year 2010, and Goldman Sachs invests in Facebook at a \$50bn valuation - we clearly have arrived in the new Era of Social Media.

As we transition from a search-based to a social media-based online culture, and as consumer attention shifts from paid media to earned media, it is increasingly important for hotels and resorts to focus on the business opportunities that come with the creation of social currency and social capital for their brands. Having a network is easy - getting attention is not.

But hospitality and travel are among those industries and topics that have the natural opportunity to realize strong levels of online community engagement, and as a result, grow their brands and businesses through strategic social media marketing.

“KEYS TO SUCCESS: CONTENT QUALITY AND AMPLIFICATION, I.E. CONSUMER-GENERATED BRAND IMPRESSIONS.”

This whitepaper, our first issue in a series published by Seventh Art Media, presents the results from a comprehensive analysis of basic forms of consumer-generated brand impressions on Facebook relative to (a) content type, (b)

community size, and (c) hotel brand status (i.e. chain vs. independent).

We reviewed 2,492 content posts by 75 hotel brands on their respective Facebook fan pages for the last quarter of 2010 to better understand what type of content generates amplification and engagement.

What we learned is that content strategies for hospitality brands need to take into account a wide range of factors in order to create a lasting performance on Facebook:

- If you don't plan out your growth strategy for the long-term you might find you've built a community of the wrong target market.
- Building engagement is not Facebook's strong suit. Creating amplification (impressions) is easier and returns a brand's bottom-line benefits much more quickly.
- Don't expect your fan page to increase or to sustain amplification rates as it grows, without maintaining a steady flow of the right type of content.
- Most hotel brands show little discipline in reviewing the performance of their pages by repeatedly posting the same under-performing content types.
- While video is a booming engagement tool for other sectors, hospitality is lagging due to poor quality content, subject matter and execution. This is a huge missed opportunity.
- Too much content being posted is ancillary to a brand or property and does nothing to enhance a guest connection. This results in additional missed opportunities.

METHODOLOGY: THE PROMISE OF SOCIAL MEDIA

One of the promises of social marketing is the ability to mine the vast volumes of data it produces for unique insights into customers and their behaviors.

To help deliver on that promise Seventh Art Media is introducing a new series of insights specific to the hotel industry. In our first installment we have chosen to look more deeply into Facebook. More specifically, we wanted to show what content types work best to create engagement and amplification via the Facebook channel.

We began by reviewing 75 different Facebook pages for chain hotel brands, individual branded hotel locations with their own page and independent hotels for the last quarter of 2010. Pages were limited to include only upscale and luxury properties and brands. We then quantitatively and qualitatively reviewed almost 2,500 brand/property content posts and the follower activity on each page to help build a picture of what works and what does not work.

Without historical page growth numbers for the 75 Facebook pages included in this study we are unable to present a link between the content performance data and pace of page growth, but we were able to identify patterns that illustrate what content creates interaction. Our experience shows that content, which generates interaction and sharing activity, is a primary driver of growth for creating new fans of a page.

With this exploratory research project, not only were we able to answer the primary question about content and interaction, but we were also able to identify a wider range of trends and implications than originally anticipated.

So, what did we learn? Here are our top findings:

- **Not all content performs equally.** Are photos or videos, links or status updates the most engaging content type? The answer is that the content that conveys a *unique sense of brand/place* and makes a personal connection with followers performs the best. In hospitality, this means photos more than any other content type.
- **Returns are not linear.** As a Facebook page grows the percentage of followers engaging via content cues drops off sharply.
- **Amplification scales. Engagement is another story.** Comments on content have a ceiling. Once a certain number of comments have been added to a post it appears subsequent followers are less likely to add their own commentary.
- **How you build your community will help define how you can use it in the future.** In other words, maybe returns can be linear if you change your strategy and goals for building your Facebook following.
- **Quality in all aspects counts.** Quality content rules. Quality engagement rules. Quality maintenance rules. In other words, *quality rules*.
- **The best content often already exists.** Most of the top performing content in terms of engagement and amplification was not manufactured or contrived. Instead, it was generally a highlight of existing activity or content brought forward on Facebook.
- **Hotels need to feed content into their Facebook pages.** 92% of all follower activity comes in the form of likes and comments on content posted by the brand itself vs. direct posts by fans.

THE DEEP DIVE: WHAT CONTENT PERFORMS THE BEST?

Not to dodge the question – but the answer is “it depends.” And what it depends upon is a matter of goals and relationships.

Figure 1 below illustrates one aspect of how different content types create different patterns of interaction under different circumstances. In this example, we break out content posts by type and look at the average number of comments and likes they generate.

“WE WANTED TO SHOW WHAT CONTENT TYPES WORK BEST TO CREATE ENGAGEMENT AND AMPLIFICATION VIA THE FACEBOOK CHANNEL.”

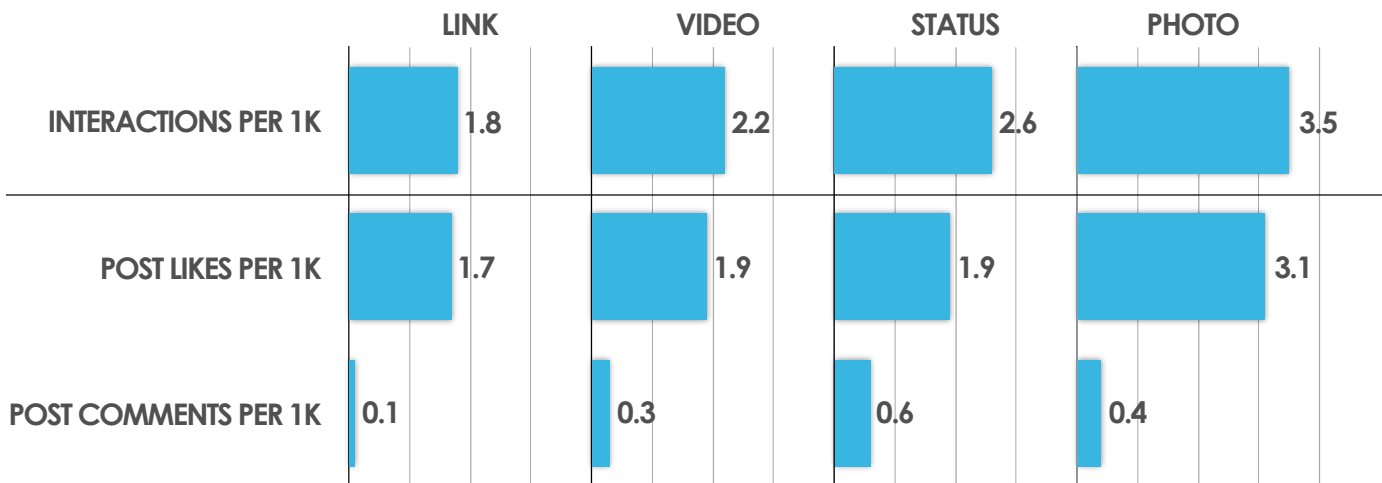
In order to make a comparison across many sites of different sizes we have used a ratio that shows the

number of comments and post likes for every one thousand (1K) page likes. Total interactions are the sum of both an individual post’s likes and comments.

It is clear that each content type performs differently. Photo content is much more likely to elicit higher numbers of post likes and comments than any other type. Interestingly, video—which is currently being hyped by many as the most important content type to entertain and engage customers—provides the least amount of interaction with followers.

Is the poor performance of video a matter of quality? Are only a few brands doing it right and everyone else is bringing them down? Looking at the quality of the videos posted during the three-month period under analysis reveals that quality is lacking across the board. Figure 2 looks at the maximum ratio of interactions per content type. The results clearly show that video significantly underperforms other content type in generating both post likes--which help amplify the content--and post comments—which both amplify the content and potentially promote engagement.

Figure 1 – Average Interactions per Content Type (Source: Seventh Art Media)



Why does video lag? Our working hypothesis is that a number of factors are in play and they will continue to evolve.

First off, Facebook isn't the channel of choice for watching video. Secondly, after a review of all of the 82 videos posted across 75 Facebook hotel pages it is fair to say that the videos are often poor quality and none are particularly entertaining or engaging. How many grainy ballroom videos or shots of the penthouse do people really want to see?

“VIDEOS ARE OFTEN POOR QUALITY AND NONE ARE PARTICULARLY ENGAGING.”

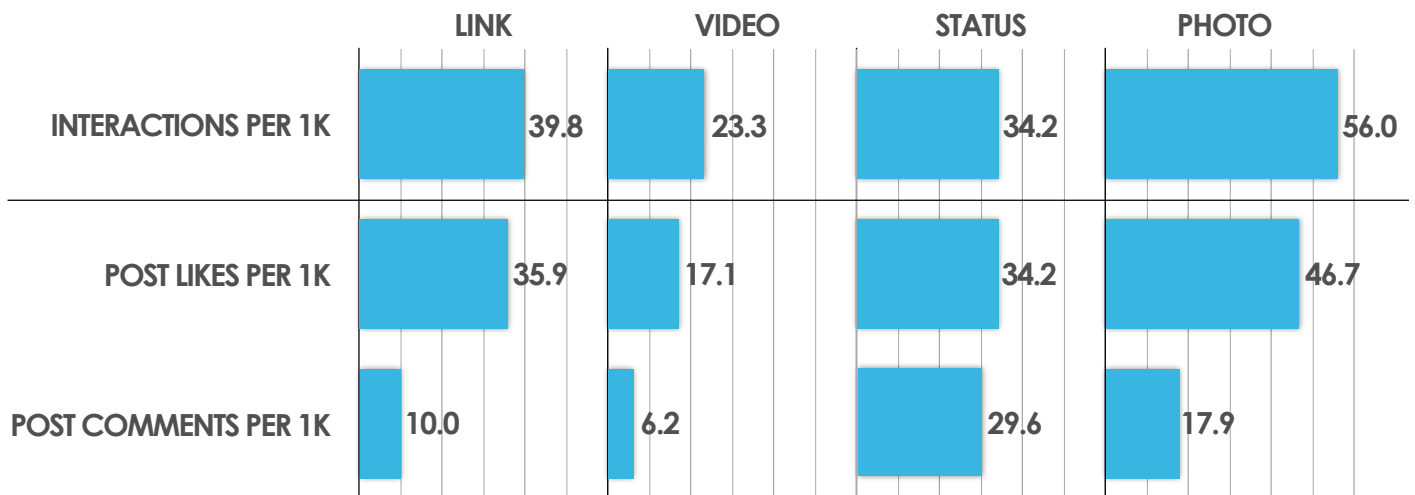
These may be important for other channels such as Trip Advisor or the property site itself, but if it doesn't have a hook of personal connection it may not be suitable for Facebook.

The simple fact is that not all content is right for all channels. There are a number of social strategies

that can be utilized to create engaging and entertaining video but these are generally executed outside of the confines of Facebook and require an integrated approach to social media. This integration of social media efforts for coordinated campaigns is becoming more and more common among top brands in the space but is lacking so far in the hospitality sector.

On the other hand, photos are the clear winner for creating amplification and engagement. The fact is that Facebook users like the quick-hit satisfaction of a witty post or a beautiful or clever picture. Some of the highest performing photo content was not necessarily professional level quality but at a minimum connected on a personal level. A quick snapshot of the first snow of the season and a giant pumpkin are examples of connective content that both worked well and required little effort. In fact, the first snow theme resonated across many pages.

Figure 2 – Maximum Interactions per Content Type (Source: Seventh Art Media)



CONNECTIVE CONTENT OPPORTUNITIES ARE MANY DURING THE HOLIDAY SEASON

EXAMPLE #1

A simple vignette of the autumn harvest season (and a 400 lb. pumpkin) elicited enthusiastic responses and helped guests recall the experience of their previous stays. The key is conveying a sense of place/brand and quality execution.

The White Barn Inn Our 400lb pumpkin!



October 15, 2010 at 1:37pm · Like · Comment

Alison Braen, April Rossignol, Kathleen Pike and 2 others like this.



Maria Olson Absolutely beautiful view ...we so wish we stilled lived w/in an hr.of the White Barn Inn.

October 15, 2010 at 4:29pm · Flag



Lisa Lopardo Welch will be there on Monday! can't wait!

October 15, 2010 at 5:58pm · Flag



Bonnie Plumley I Love it!!

October 15, 2010 at 6:47pm · Flag

Four Seasons Hotel New York It is official - Our Holiday Tree is up! Come in out of the cold and visit!



November 27, 2010 at 8:38am · Like · Comment

Pascal Forotti, Donato Brodero, Mary Mayes and 16 others like this.



Dora Flores I can NOT wait to stay there again !! I love the spa staff !!

November 27, 2010 at 8:42am · Flag



Kay Kestler Loved my stay there a couple of weeks ago!! Be back soon!

November 27, 2010 at 8:53am · Flag



Four Seasons Hotel New York Thank you Kay and Thank you Dora! Hope to see you both soon, if not have a wonderful holiday seasons and we will see you in the new year!

November 27, 2010 at 9:16am · Flag



Caroline Gay wow thats pretty....and the tree is nice too...lol

November 27, 2010 at 3:15pm · Flag

EXAMPLE #2

The responses to the Four Seasons' tree posting were less about the tree and the picture and more about remembering an experience.

So why do so many hotel pages rely more on links and status (see figure 3)?

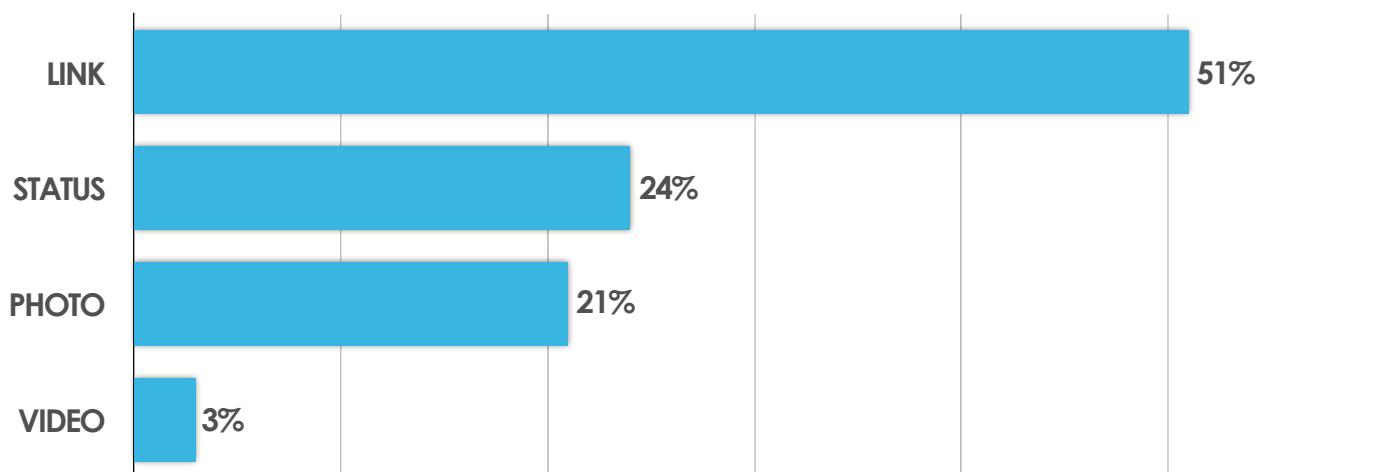
The short answer may be that both content types are much easier to produce. Unfortunately, easy reposts of content cannot create an effective stream of status updates that convey the personal connection and brand voice you need in support of your brand. Furthermore, links to tenuously related content or rehashed content from elsewhere will only serve to take the edge off of your points of differentiation.

these links were primarily calls to action translating into reservations or some other form of brand supporting activity, but our review shows that these are few and far between. The most common links by far have tenuous relationships to a brand or property and do little to create a connection, incite sharing or extend a brand experience. In short, most of it is filler.

“EASY REPOSTS OF CONTENT CANNOT CREATE AN EFFECTIVE STREAM OF STATUS UPDATES THAT CONVEYS THE PERSONAL CONNECTION AND BRAND VOICE YOU NEED.”

Unfortunately, what we see occurring is that the second lowest performing content type is also the most commonly posted. It would be one matter if

Figure 3 – Percentage of All Posts by Content Type (Source: Seventh Art Media)



RETURNS ARE NOT LINEAR

Is bigger better? In terms of amplification of your brand and content it clearly is the case. It only takes a few thousand followers and a regular schedule of decently performing content to create millions of potential impressions across Facebook annually. As you increase your follower base the potential impressions grows exponentially.

However, there are a large number of implications for how you grow your fan base and interact with them that are unique to hospitality. In Figure 4 we see that the average number of interactions we can expect to see from every one thousand followers decreases as the page size increases. In essence, you reach diminishing returns on interaction fairly quickly.

The second aspect of page size growth is the decreasing ratio of comments as a percentage of all interactions. In fact, the average number of comments appears to plateau while the number of likes rises sharply as page size increases. What is going on here?

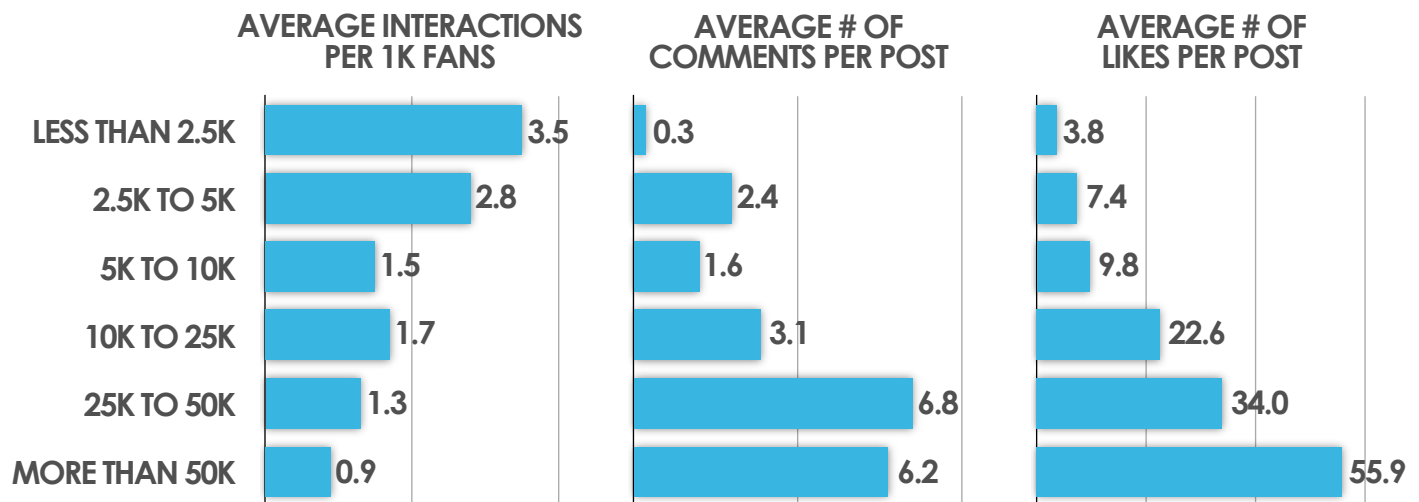
The answer is that a complicated mix of elements leads to these results. The individual factors and their implications for using Facebook as a marketing channel are the most important aspects of planning and strategy for hospitality brands.

“NOT ONE SIZE FITS ALL. WE ALL KNOW THIS INTUITIVELY BUT FINDING THE RIGHT FIT IS THE HARD PART.”

The first factor is that not one size fits all. We all know this intuitively but finding the right fit is the hard part of this equation. It is easy enough for us to break down the pages by type and compare how an umbrella brand’s page compares with a page for a single branded chain location and an independent hotel. So let’s start there:

Figure 5 compares the distribution of post likes and post comments for each page type. Umbrella brand

Figure 4 – Average Interactions by Page Size (Source: Seventh Art Media)



pages clearly receive fewer comments and likes than property specific pages and independent property pages. But why? Is the content less engaging or interesting? Do the followers differ from the followers on property and independent pages? And finally, does it matter that much?

Reviewing the content and user makeup (via posts, likes and comments) of the pages reveals a few things. First, many brand pages were built or are being built with a goal of getting followers in the door.

Secondly, the emphasis is on amplification of deals, brand messages and other communication vs. engagement on a service or experience level. It isn't too much of a leap to infer that these tactics have combined with the existing brand recognition to create pages and communities with a deal and marketing communications centric focus.

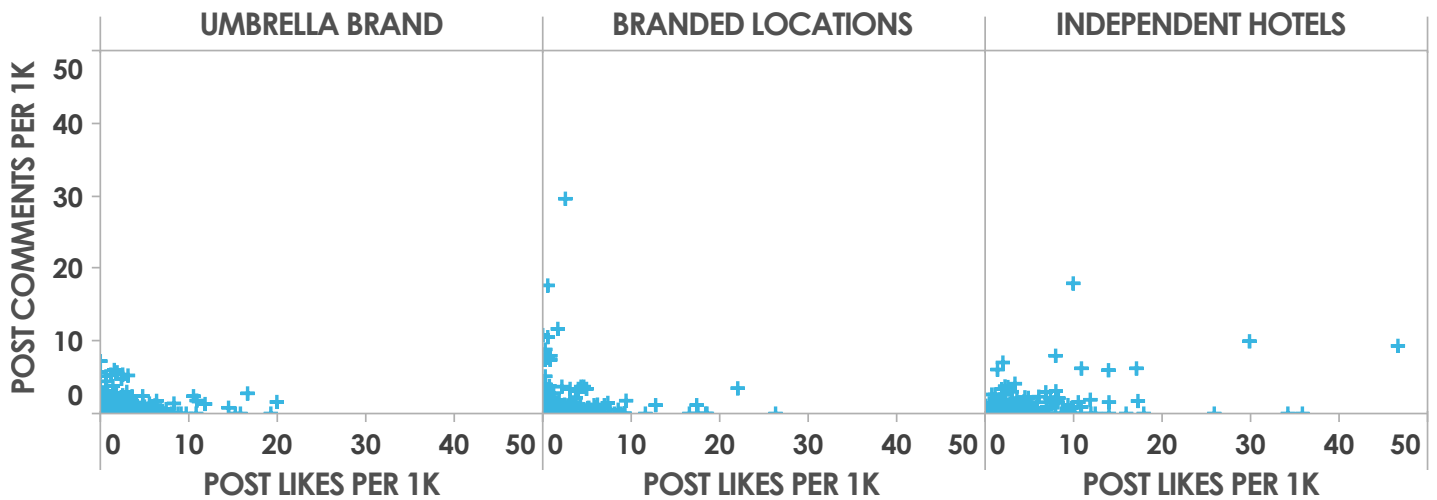
This means that opportunities for user comments are few and far between. This also means that the brand is locked-in to a particular type of consumer with a particular type of motivation. To us, this is the biggest implication of our review: *if you build*

followers through discount incentives then you'll only have a community of discount seekers. The push to get 100k followers in a short amount of time and then figure out what to do with them afterward is a losing strategy.

“IF YOU BUILD FOLLOWERS THROUGH DISCOUNT INCENTIVES THEN YOU’LL HAVE A COMMUNITY OF DISCOUNT SEEKERS.”

Instead, a focus on quality followers who value the brand beyond discounts is important. The flip side of the discount equation is evident in property-specific and independent hotel pages. People follow a specific property because of a connection to the property itself. Is it more important to have one-thousand of the right people who love your brand and will interact with your content, strengthen their connections and advocate on your behalf or

Figure 5 – Interactions by Page Type (Source: Seventh Art Media)



twenty-five-thousand people who want discounted rates?

The same goes for an umbrella brand page. Advocates and fans of the brand will like the page and its content when it provides connections to the things they value in the brand. Bypassing that for expediency in growing your page limits the long-term opportunities of the Facebook channel.

In short, hospitality brands at all levels need to tap into the aspects that make their brands unique and use existing content and brand assets they have on-hand to deepen relationships through connective content.

Hotels and resorts in particular have an extremely deep reservoir of existing content that simply needs to be tapped into effectively. Each evokes memories and personal connections for the viewer. Isn't that the type of experience you try and deliver every day?

“HOSPITALITY BRANDS AT ALL LEVELS NEED TO TAP INTO THE ASPECTS THAT MAKE THEIR BRANDS UNIQUE AND USE THE EXISTING CONTENT AND BRAND ASSETS THEY HAVE ON-HAND TO DEEPEN RELATIONSHIPS.”

CONCLUSION: TAKING FACEBOOK TO THE NEXT LEVEL

Based on our analysis it is clear that creating a sustainable and relevant stream of content for Facebook is a key to success for hotels and resorts. In addition to ensuring relevant content is continuously flowing into the channel a number of other factors will also play into your long-term success:

- **Form follows function:** Most importantly, upfront planning, programming and goals are required for the Facebook channel. The goals you set for the page will define your content, processes and the people who choose to follow you. If you want a specific type of customer liking your page you need to program to that customer's specific needs. Additionally, your brand page is only one way of interacting with customers or amplifying your brand via Facebook. If you want a more engaging experience for your target customer you may need to move your content into the Facebook stream via other methods.
- **Trying to change behavior is a losing proposition:** The easiest way to grow a Facebook page is to offer incentives and deals, but where does that leave you after the deal is over? Your brand's most visible social media property is positioned as a deal channel and followed by deal-seekers who will add little to the conversation and will be unresponsive to content that your best customers may value due to their much stronger brand connections.

While a big base of Facebook followers looks good in terms of raw numbers and amplification you are likely to be less effective in reaching your most valuable customers and extending your reach to their friends—which is where the real power of marketing via Facebook lies.

- **Facebook pages are best for amplification:** Facebook scales well to help your brand get impressions—but the simple fact is that as pages get bigger the ratio of comments to followers drops off and the interaction moves to likes. The reasons behind this are varied but it appears a comment plateau is reached fairly quickly. On top of that, people won't actually read beyond the first few comments and the commenting system does not create a sustainable ongoing conversation thread on brand pages. The key is using Facebook to both amplify the brand and branded conversations that are taking place elsewhere—including on a user's Facebook newsfeed. In other words, the Facebook page is often best served as an entry/amplification point for content with the engagement happening off of the brand page itself.
- **Facebook is about enhancing brand engagement – not creating it:** Following up on the last point, hotel and resort brands should not look at their Facebook page as a primary point of engagement but as a channel to extend engagements that happen elsewhere. The key is to take content created from these engagements and get it into the Facebook stream—photos or videos of guests enjoying unique aspects of the property or brand, guests interacting with the brand or a brand sponsored event. Keeping this point in mind can also help build out a strategy not based on deals and promotions and help avoid brand dilution in the channel as well.
- **Get your content right:** A simple question to ask about any content before you post it is “Why would any of my guests share this?” If you can't answer that question without hesitation then you shouldn't post the content.
- **Measure ROI on Amplification and Direct Response:** Facebook has some handy tools for measuring impressions and these should be leveraged in developing an assessment of the channel's contribution to cost saving vs.

comparable CPM rates of more standard online advertising. But measurement should not stop there. Content should be set up to track views beyond the channel and click-throughs generated by the content wherever it is pertinent. Back-end systems (such as Google Analytics) should be structured to capture the contribution of the channel to referrals and conversions.

- **Look to other channels for one-to-one engagement:** Facebook is a hammer that doesn't elegantly transition to the gentler aspects of one-to-one customer service required in a hospitality setting. In the coming weeks we will be exploring many of the other social media tools for facilitating and enhancing a guest's brand experience. These include Twitter, Foursquare, Yelp, TripAdvisor and some lesser-known but powerful possibilities for specific applications such as customer feedback, insight and crowd sourcing.

“WHILE A BIG BASE OF FACEBOOK FANS GROWN WITH DISCOUNTS AND SPECIAL DEALS LOOKS GOOD IN TERMS OF RAW NUMBERS, YOU ARE LIKELY TO BE LESS EFFECTIVE IN REACHING YOUR MOST VALUABLE CUSTOMERS AND THEIR FRIENDS – WHICH IS WHERE THE REAL POWER OF MARKETING VIA FACEBOOK LIES.”

ABOUT SEVENTH ART MEDIA

Seventh Art Media is a division of Seventh Art Group with offices in New York, London and Dubai specializing in social media content & strategy development for hotels, resorts, retail, and commercial real estate worldwide.

We create value through branded experiences for hospitality, retail and real estate.

Seventh Art Group's clients, including Starwood Hotels & Resorts, Four Seasons Hotels & Resorts, Ritz-Carlton, Plaza Hotel New York, The Related Companies, and many more, have entrusted us with 150 worldwide projects in 22 cities, 4 continents, worth US\$7bn.

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