



The Importance of Electronic Commerce at the Marketing of Hotels

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Abstract

Electronic commerce acts as a lifeline for small and medium-sized businesses that have problems entering the market in today's globalizing conditions. Service business, on the other hand, use electronic commerce mostly in marketing activities. Especially when hotels are considered, efforts to sell services and time have made it necessary for customers to increase their marketing activities in order to influence their purchasing decision. Word of mouth is the most effective marketing method for hotel customers. Customers only think that what non-commercial people say about the hotel reflect the truth and shape their purchasing decisions according to these discourses. Electronic marketing, on the other hand, is an online commerce area that allows hotels to write down their previous customers' thoughts about the hotel and potential customers to read them. Therefore, it has a great importance in the marketing of hotels. In this study, the importance of electronic commerce in the marketing of hotels is emphasized by using secondary data.

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INTRODUCTION

Developments experienced after the industrial revolution caused changes in the amount of production and consumption and differentiation of commerce. This situation has been effective in the realization of easier transportation, distribution and marketing activities in places where commerce continues. Over time, this trend reached all parts of the world easily and quickly and the world became a global village. The developments in technology are of course the most important contributor to this situation. Electronic commerce is also one of the important instruments of technology (Civan & Bal, 2000; Bakirtaş & Tekinşen, 2006; Kalaycı, 2008).

Where there is electronic commerce, production and consumption activities can take place much more conveniently, cheaply, easily and economically. Electronic commerce is very important for all traders to be able to enter the market comfortably and stay in the market without difficulty. Especially organizations engaged in service business experience some problems in promoting and distributing their products. Electronic commerce provides great convenience in solving these problems.

One of the important organizations in which service business is carried out is hotels. Electronic commerce was used as a technology for hotels, where customer complaints were received and tried to be resolved. While it is preferred for informing about the product to be put on the market and pricing, today it has an important place in the realization of distribution, promotion, market segmentation, market targeting, market research, product development, customer relations and direct sales. (Uğur, 2018, p. 38).

This research was conducted to determine the importance of e-commerce in the marketing of hotels. The preferred methods in the marketing of hotels are examined by reviewing the literature and the benefits of electronic commerce to these marketing methods are emphasized.

Electronic Commerce (e-commerce) Concept

Electronic commerce has many different definitions. Today, electronic commerce is called technology-influenced commerce. Accordingly, electronic commerce means purchasing, selling and ordering products through an internet network. According to another definition, electronic commerce is a concept for the sale and purchase of all kinds of goods and services through electronic communication channels and related technologies (such as smart card - smart card, electronic fund transfer - EFT, POS terminals, fax) (Sarısakal & Aydın, 2003, p. 83).

According to the definition made by the Organization for Economic Development and Cooperation (OECD), e-commerce; the use of digitized data such as text, sound or image with the participation of individuals and institutions; trade-related transactions based on transmission over the open or closed network (OECD, 1999). The World Commerce Organization defines electronic commerce as the production, pricing and distribution of goods and services through telecommunication networks. According to the world commerce organization, e-commerce process consists of three stages. According to the organization, any or all of these stages must take place electronically in order for the transactions to be accepted as e-commerce (Kalaycı, 2008). Bunlar (WTO, 2008);

1. Investigating producers and consumers or buyers and sellers,
2. Making the order and payment following the agreement between the parties,
3. Distribution of goods to buyers.

Related to the concept of electronic commerce, Electronic Commerce Council of Turkey (ETHICS) also made an identification. According to this definition, e-commerce, products; production, sales, marketing, insurance, distribution and payment transactions are carried out over information networks (ETİK, 2008).

Electronic commerce means that the purchase, sale and exchange of its products are carried out with the help of computer networks. There are also different perspectives that direct electronic commerce. These (Turban et al., 1999);

- In terms of communication: e-commerce; means the distribution of information, goods and services or payments through electronic means.
- In terms of business process: e-commerce means using automation technology in commercial transactions and workflow.
- In terms of service: e-commerce is a tool that increases the speed of goods and service delivery and reduces service costs.

Looking at the definitions related to the concept of electronic commerce, it is essential to develop transactions related to the production, marketing, distribution, and payment of goods and services in an open network environment (Kalaycı, 2008). Electronic commerce generally refers to a process in which the purchase, sale and promotion of goods and services are carried out electronically. For this reason, e-commerce means making optimum use of electronic technology for all kinds of commercial activities (İşler, 2008).

Electronic commerce has fundamental effects on the whole world economy and society. These effects have an important role in the emergence of economic efficiency, competitiveness, profitability and information society. In this context, electronic commerce facilitates existing commercial relations between businesses, sales from companies to customers and exchanges between consumers. It affects the commercial environment at national, regional and global levels and offers significant opportunities for market size, business development (ICC, 1999).

The scope of electronic commerce today includes all profit-making and non-profit organizations (Doğan & Hamşioğlu, 2002). The activities of these organizations are listed as follows (Elibol & Bıçak, 2004);

- Direct marketing of products to consumers
- Making publicity, advertisement and information
- Making transactions and contracts between commercial institutions
- Having after sales support services
- Having tenders held in electronic environment
- Electronic bank transactions
- Joint design and production realization
- Keeping and tracking commercial records
- Delivery of digital content goods

Advantages and Disadvantages of Electronic Commerce

Electronic commerce has many advantages and some disadvantages for organizations. Electronic commerce is carried out through internet channels. Internet is a system that provides fast access to many people at the same time. This system enables the internet to be used as a commerce area today. Electronic commerce offers effective and efficient marketing opportunities all over the World (Sarısakal & Aydın, 2003).

With this system, companies opened on the internet start to use their websites and databases as sales marketing stores. Electronic commerce contributes to the elimination of obstacles for businesses that have problems entering the market by eliminating the necessity of the buyer and seller to come together. The use of web pages instead of intermediaries, which causes an increase in costs, especially in small and medium-sized businesses and service businesses, provides economic and time savings (Coşkun, 2004).

Electronic commerce is not just about ordering products from an online catalog. Electronic commerce enables the use of information technologies to improve the communication and transactions of an enterprise with all parties (customers, suppliers, government, workers, managers, etc.). In addition, with electronic commerce, the product is developed, tested, customer needs are determined and the demand is responded as quickly as possible (Watson, et al., 2007).

Due to the aforementioned features of electronic commerce, there are some advantages it provides for buyers. These (Sarısakal, 2001);

- There is no space restriction. The buyer does not have to go from one place to another to buy a product.
- There is no time limit. It takes time and saves time when the buyer decides to buy the product he/she wants to buy.
- The buyer has the opportunity to choose the product, brand, price and features they want to buy by comparing them with other producers in a much shorter time.
- The buyer can easily see the comments written by other buyers about the product. This provides a healthier purchasing decision.
- It allows buyers to easily own new products to the market.
- It can take advantage of numerous payment options.
- Campaign follow-up is made much easier with electronic commerce.

In addition to the advantages of electronic commerce, there are also disadvantages. These (Sugözü & Demir, 2011);

- Broadband internet technologies problem
- Buyers do not want to benefit from electronic commerce due to security problems
- Accessibility (not everyone has an internet connection yet)
- Don't accept (not everyone accepts this technology)
- The product is not physically examined

The Importance of Electronic Commerce in Marketing Hotels

The effect of traditional marketing activities and mixes remains limited in the marketing of service-producing hotels. Personal sales carried out by the marketing department officials are not sufficient for the guests of the group, agency and company to prefer the hotel, although it is of great importance. Advertising element included in promotion activities is not preferred for hotels. On the other hand, the fact that hotels have an abstract structure providing services increases the importance of the brand element in hotel guests' preferences and purchasing decisions. In case hotel guests have more than one hotels with equal brand equivalence in the same location, word of mouth element becomes important.

Word of mouth marketing is defined as a verbal communication made by two or more consumers about a product without any commercial purpose (Woodside & Deloizer, 1976, p. 12; Ennew et al., 2000, p. 78). Word of mouth affects hotel guests' purchasing decisions seven times more than newspapers and magazines, four times more than personal sales, and two times more than radio commercials (Chien-Tao, 2008, p. 6). However, the most effective channel of word-of-mouth marketing in hotels is online booking and sales sites where electronic commerce is made.

The travel and accommodation industry, which e-commerce is highly developed, has made a significant progress with the introduction of online review sites such as Tripadvisor, Booking, Holidaycheck, Expedia, Hotels, Trivago, Hrs, Priceline.com. Thus, e-commerce elements used in the tourism industry have become the main source of competitive advantage in offering touristic products or services and an effective marketing strategy (Yılmaz & Öncüer, 2002).

The widespread use of the concept of e-commerce in the tourism industry changes the structure of the product and service market for hotels and leads to the emergence of new product or service business techniques. The use of e-commerce in hotels increases customer satisfaction, improves competitive power, and also increases the customer base and profitability that can be reached (Pınar, 2005, p. 51; Kaya, 2009, pp. 40-41). With e-commerce, it is possible to reach up-to-date information about a hotels operating in the tourism sector quickly and cheaply and with little cost. In addition, hotels have the opportunity to provide information about the developments regarding the service offered to the tourist, to make online reservations, to make sales and to provide after-service customer services over the internet (Turdaliev, 2009, p. 67; Öz, 2010, p. 79).

Hotels have had distribution channels through which they can carry out marketing, promotion and sales activities in the international arena through e-commerce (Çavuşoğlu, 2010, p. 114). Such distribution channels have replaced market segmentation, market targeting, market research, product development, pricing, personal sales, brochures and catalogs with great innovation. On the other hand, thanks to electronic commerce, it is known where, at what times and with which demographic characteristics people enter the site, and the organization can choose the appropriate target audience in line with its own structure, purpose and resources. Using the information in the web environment, it can control its agents, determine customer requests and requirements, and determine the rates and prices of rival products. Complaints and suggestions in the web environment enable the development of products needed by customers. Using web pages instead of printing catalogs and brochures prevents waste and decreases environmental problems (Bakırtaş & Tekinşen, 2006, pp. 134-135; Kozak, 2014).

Conclusion

Electronic commerce, in its simplest definition, means that shopping is done on the internet via computer. Electronic commerce is an important type of commerce that facilitates the development of technology, facilitates the work of manufacturers, gives everyone the right to compete, increases the quality of products and causes a decrease in sales prices.

Electronic commerce has many benefits. These benefits are related to the efficiency and productivity of organizations. Through electronic commerce, brokers between suppliers and vendors get out of the way, organizations that face difficulties in order to enter or stay in the market in a physical trading environment can easily enter the market with electronic commerce and sell their products. In this way, unfair competition is prevented and everybody can be a part of this competition.

Electronic commerce is very important especially for small and medium sized national hotels to be able to introduce themselves, determine their target audience and establish a balanced price policy. Because the marketing activities of hotels as a service business are relatively difficult and complex to other industries. The most important criterion that buyers will rely on when trying to buy an abstract product is brand equity. Having more than one hotel with equal brand equivalence in the destination to be visited causes a great confusion over the purchasing decision. In this confusion, the statements of non-commercial people who have the opportunity to experience the product and who do not have commercial purposes other than marketing activities are very important. Since electronic commerce has given this opportunity to its buyers, the hotel is of vital importance in the marketing of businesses.

As a result, there are many benefits provided by electronic commerce. In order to take advantage of these benefits, necessary studies should be done to determine and develop the elements that will take advantage of the development of electronic commerce.

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