Application of ICT in the Swedish Hospitality & Tourism Industry:
A study of viral and word-of-mouth marketing concepts in relation to CRM

Joyce Mhando and Nilnta Elpida Morais

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Supervisor:
Ernst Hollander
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ABSTRACT

Aim: The Internet has provided a medium for word of mouth and its electronic extension, also known as viral marketing. In the hospitality and tourism industry, use of the internet has caused drastic changes. Consumers are now more used to gathering information about their destinations through online word of mouth. The aim of this thesis is to achieve an understanding of the concept of viral marketing and its suitability, as well as its primary link the concept of word of mouth and its relevance to customer relations, in the hospitality and tourism industry of Sweden.

Method: A qualitative research approach was used for compiling the primary data of this thesis. Semi-structured face to face interviews as well as structured email interviews were used to gather the empirical findings from two case companies. Secondary data for the theoretical study of this paper was gathered from scientific journals, books and the Internet.

Result & Conclusions: The hospitality and tourism industry rely more on word of mouth advertising because of the intangible nature of their services. Therefore, they aim to exceed customer satisfaction so as to generate positive word of mouth. The concept of viral marketing is minimally utilized at the moment, but its use is more likely to be maximized in the future.

Suggestions for future research: The results of this thesis were based on a small sample size of the representatives of the hospitality and tourism industry. It would be advisable in the future to conduct a quantitative or a combined qualitative and quantitative study with a bigger sample size that would also include the opinions of the customers.

Contribution of the thesis: This research delivers realistic consequences from the diverse extension of internet users in the Swedish hospitality and tourism industry and finally indicates the promising benefits from the distribution of internet technology in combination with the involvement of individuals.

Key words: Viral marketing, electronic word of mouth, word of mouth, customer relationship management, customer satisfaction,
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LIST OF ABBREVIATIONS

ICT  Information Communications Technology
WOM  Word of Mouth
CRM  Customer Relationship Management
V-marketing  Viral Marketing
1. INTRODUCTION

1.1. BACKGROUND
In recent years through the help of the Internet, businesses of all industries are now able to reach their existing and potential customers on an international scale through advertisements in various forms such as blogs, emails, instant messaging, web advertisements, web forums, and social networks. The Internet has not only provided a platform for marketers to reach consumers on a global scale, but has also permitted communication and interaction about products and services between fellow consumers, who can also act as intermediaries and reference points to potential consumers, on behalf of a company (Chan and Ngai, 2011). In other words the Internet has provided a medium for word of mouth and its electronic extension, also known as viral marketing. However, in spite of the excitement of the tremendous opportunities that the Internet has brought such as the viral advertising phenomenon, still marketers worldwide are faced with challenges, more now than before, on how to effectively target and connect with their customers. The growth in marketing channels has intensified the fight for the customer’s attention due to the overwhelming number of adverts consumers find themselves exposed to (Kirby and Marsden, 2006). For instance, how many consumers actually take the time to see or to read the advertisements that they are exposed to on a daily basis? How many of these forms of advertising have already lost their credibility because of how they reach consumers? And what are ultimately the most reliable types of advertising today?

Usually when a consumer has a good or bad experience with a product or service he will directly share his experience with family, friends and acquaintances and they in turn will tell their friends. This is the phenomenon of mouth advertising also known as word of mouth that has been considered the most reliable way of advertising (Cheung et al, 2008; Engel et al, 1969; Katz and Lazarfeld, 1955 cited in Chan and Ngai, 2011). This seems to be true, and even more pronounced when a customer has a bad experience. A research by Woerndl et al (2008) came up with the result that 90% of dissatisfied consumers will not make any consumption of a product or service of the company that they are unhappy with, and 13% of these will transfer their bad experience to more than thirty people. Behind the power of word of mouth a new technique of marketing has been revealed called viral marketing. The term viral stems from the word virus exemplifying how a viral message can be spread so rapidly
and quickly infecting thousands of people in a short while, like an epidemic (Porter and Golan, 2006).

The hospitality and tourism industry, considered one of the major foreign income earner industries in the world, includes variety of businesses and activities, ranging from tourist agencies, the smallest local hotels to multinational hotel chains, which are all heavily reliant on the Internet to reach out to its potential customers. The use of the internet has caused drastic changes in this industry. Consumers are now more used to gathering information about their destinations and hotels, from other consumers through online word of mouth (Hennig-Thurau et al, 2004). Therefore, it is easy to understand the big competition that characterizes the market and the catalytic role that consumers can have; consumers can become a member of the publicity of each firm that offer a service by encouraging people to communicate to each other and exchange information about services by using word of mouth. Easily we can understand the role played by internet in the modern tourist industry. This role can be divided into two levels first the changes that have appeared in hotel and tourist offices by the use of new technological trends like viral marketing, and second the effects on consumer behavior that according to Schiffman and Kanuk (2004) depend on the range of satisfaction concerning the customers personal experience in combination with personal expectancies from the services (Edwin et al. 2006).

1.2. PROBLEM DISCUSSION AND RESEARCH QUESTIONS
In various researches according to the literature that the authors gathered, viral marketing was described as the continuation of word of mouth; viral marketing is nothing more than “a new interpretation of the good old word-of-mouth-paradigm” (Welker 2002 cited in Woerndl et al 2008, p.34). According to that point of view companies add internet only as a tool to spread the message. At the same time other pillars of authority believe that viral marketing is something more than an extension of word of mouth on the network, viral marketing “is unpaid peer-to-peer communication of provocative content originating from an identified sponsor using the Internet to persuade or influence an audience to pass along the content to others” (Porter and Golan, 2006, p.29). Concerning the above mentioned, the authors of this study obtained opinions from hospitality and tourism managers on their understanding of the viral marketing concept and their experience or readiness to implement the phenomenon.
Furthermore, studies have shown that word of mouth is more suitable in hospitality and tourism industry because of its’ intangible and perishable nature (Litvin et al, 2008 cited in Xiong and Hu, 2010). When it comes to hotels services a client cannot estimate before having his own experience in the hotel. Thus the situation is characterized by a big uncertainty for both sides, clients and executives of the hotels, and for this reason revenues can dismally decline (Lewis and Chambers, 2000 cited in Xiong and Hu, 2010). Under such conditions clients count more on their type of communication networks and references during the time of evaluating, making a choice and, finally the purchasing step. With regards to this belief, the authors sought an understanding of how management in the industry relates with their customers so as to minimize the uncertainty gap and maintain positive word of mouth from their clients.

In order to get first hand information from the hospitality and tourism marketers, Sweden was selected because it is where the authors were currently based in fulfillment of their Master’s in Business Administration study program. This provided easier access to get first hand information from management of the organizations that were also selected to represent the industry. The Clarion hotels, which is a global chain of hotels, as well as Resia travel agency which has been operational in the tourism field for a very long time, all proved to be meaningful and worth conducting our research with. In addition, it is also interesting to note that research has shown that there is very high usage of internet in Sweden. Findahl (2011) mentions that 88% of Swedes above the age of twelve have access to the internet whilst 69% percent of the country’s population use it for almost three hours daily. He states the common internet activities to include exploring internet via Google as a search engine, using e-mail, searching to arrange trips, addresses and phone numbers, looking for guidelines and instructions how to go somewhere. These are all activities that may be directly linked to the hospitality and tourism companies marketing communications schemes in different ways.
Research questions

1. What are the perceptions of viral marketing in the hospitality and tourism industry of Sweden?

2. How ready is the Swedish hospitality and tourism industry to adopt the electronic extension of word of mouth concept?

3. What are the customer relations requirements for generating word of mouth, in the Swedish hospitality and tourism market?

1.3. Purpose

The purpose of this paper is to evaluate the perceptions of the Swedish hospitality and tourism industry representatives towards the two linked concepts of viral marketing and word of mouth, and how they are connected to customer relationship management. In order to achieve this, the primary input that the authors used in their research study consisted of two organizations, three selected Clarion Hotels and Resia travel agency, which are all located in Sweden.

1.4. Limitations

The analysis that authors did was based on a limited sample of Swedish hotels and travel agency company, and for that reason it cannot be generalized to all hotels and tourism offices of all Sweden or internationally. Furthermore the research was focused on opinions from qualitative interviews with marketing managers without filling the gap of the other points of view that consumers had in order to have an indiscriminate complete overview.
2. METHODOLOGY

2.1. Primary and Secondary data
For the writing of this thesis the authors gathered primary and secondary data. Primary data is stated to comprise the first hand works of a research or unprocessed data free of any modifications that denote any formal view or standpoint, whilst secondary data are the modifications made to primary data (Cooper and Schindler, 2003). The findings of secondary data were assembled from books and articles in the library databases of Hogskolan I Gävle and internet by using keywords such as viral marketing, word of mouth and hospitality and tourism industry. For the needs of primary research the authors used a qualitative research strategy, where they compiled an interview guide with the guidance of their thesis supervisor. The interview guides were constructed in order to be suitable for the managers of each company and for that reason the authors modified the questions in each occasion. In addition, the authors’ designs of the interview guides were formulated to reflect the research objectives of this thesis. The interviews that were conducted from different managers gave the writers a sufficient multiple cover from the comparison for our case studies and furthermore for the analysis of viral marketing and word of mouth evaluation and perspectives in Swedish hospitality and tourism industry. According to Hair et al (2007) the interviews can be gathered in a big geographical area. With reference to that, a major limitation to this study is the small number of interviews which does not allow generalizing the authors’ research findings in all the hospitality and tourism industry in the whole of Sweden.

Theoretical study
According to Hair et al (2007) the purpose of a literature review is to sum up the most important topics connected to the research. The authors further state that the main bases are to focus in what other writers have said, what methods they use and if their results are similar or have been modified. Our aim here is to find out how viral marketing and word of mouth is established in the hospitality and tourism industry of Sweden in comparison with what the theory states and the practical reasons why they do so. To finalize Hair et al (2007) purport that the theoretical framework should illustrate and deliver a critical analysis of the previous study that has been performed in the scholars theme, and be based more in the examiner questions and aims (Hair et al, 2007). For this specific reason, the literature gathered in this thesis is all directly related to the theories around the research questions stated.
2.2. **Research Strategy: Qualitative data**

According to Bryman qualitative research is often illustrated as a research tactic which highlights on a comparatively open-ended approach to the progression of the study regularly developing surprises, redirections and new perceptions (2006). However, Hair *et al*. states that quantitative research includes collecting numerical data through the use of structured questionnaires or observation guides to gather primary data from individuals (2007). The authors of this study decided to do a qualitative research due to the nature of the research problem in viral marketing and word of mouth and the influence that the concepts have in the hospitality and tourism industry. A qualitative research strategy was used because the authors wanted to explore the understandings and opinions attached to the management of the Swedish hospitality and tourism industry in line with the authors’ research questions. Qualitative researches according to Blumberg *et al* (2011) refer to meanings and base their accounts on qualitative information such as words, phrases or a story.

2.3. **Qualitative Research Method: Structured & Semi-Structured Interview**

The research method that was used to gather primary data for this paper was mainly the semi-structured interview for the face to face interviews, and the structured one for the email interviews conducted. Semi-Structured or in-depth interviews are used in qualitative research so as to not only disclose and understand the what and the how, but also to stress the why (Saunders *et al*, 2003). This is the main reason why this specific research method was selected, because the authors wanted to get an in-depth understanding of their interviewees’ perspectives, choices and daily practices within their organizations. The semi-structured interview gives the interviewer an opportunity to query the interviewees’ responses, which may head the discussion into areas which had not been previously been thought of (Saunders *et al*, 2003). Qu and Dumay (2011) state that even though the interviewer and interviewee may use a common language, the danger in interviewing lays in the fact that certain words may have totally different meanings depending on one’s cultural background, and therefore lead to misinterpretations. In order to mitigate this, the interviewees were sent an overview of the thesis subject prior to the interview process, in the case of the face-to-face interviews. Also at different occasions during the interview process the authors repeated the interviewees’ responses to seek confirmation whether they had been correctly understood. On the contrary to the semi-structured interview, the structured interview limits diversity in responses and only permits the interviewee to answer the given questions as they are. In the case of the
email interviews which were structured, there was also an option to send back a response to request for clarification on a provided answer.

**Procedure**

The interviews were carried out with managers of two organizations in the hospitality and tourism industry, namely Clarion Winn Hotel in Gävle, Clarion Gillet Hotel in Uppsala, Clarion Hotel Stockholm and Resia Travelling Agency in Gävle. The selection of the organizations was based on where the authors got a positive response to conduct their research. We contacted five organizations in Gävle to interview for our thesis, and emailed a further three more outside Gävle. Two of these accepted our proposal, which were Clarion Hotel Winn in Gävle and Resia travel agency in Gävle. The rest of our interviews with the other Clarion Hotels were obtained through the snowball method; the contact with Clarion Hotel Winn Gävle referred us to Clarion Hotel Gillet in Uppsala and Clarion Hotel Stockholm. We had a chance to conduct three personal interviews with Clarion Hotel, two in Gävle and one in Uppsala, and an email interview with Clarion Hotel Stockholm. From Resia, we had one personal interview in Gävle and one email interview from Göteborg. Three of the interviewees were female and three were male.

All the managers selected for interviews had extensive knowledge and experience in the subject of our study, and could thus provide detailed and informative data to enrich our research. However the interviewees’ knowledge leaned towards word of mouth and therefore the authors had to adjust the questions of the interviews and study of this research in order to accommodate this limitation. In all cases, an interview guide was requested and forwarded before the interview. The interview guides are presented in the appendices of this paper. The notes from the interview discussions were jotted down by both interviewers during the interview process in order to compare notes for accuracy. It is also worth noting that in all occasions the atmosphere was generally relaxed and comfortable for both the interviewers and interviewees.

*Interview with Mikael Ericsson- Sales Manager at Clarion Hotel Winn, Gävle*

The interview was face-to-face and conducted on the 2nd of April, 2012, at the Clarion Winn Hotel, Gävle with the Sales Manager of the hotel, Mr. Mikael Ericsson. He was well-versed in the subject as he had been with Clarion Winn Hotel for four years and prior to that he had been working for six years with Scandic Hotel, which is a competitor hotel to Clarion Winn.
We had planned for 30-45 minutes duration for the interview, but due to the flexibility of the interviewee’s schedule and the more questions that arose during the interview process, the interview stretched to an hour.

*Interview with Claus Hartmann- Food and Beverages Manager at Clarion Hotel Winn, Gävle*

The personal interview with Claus Hartmann lasted about an hour, and was conducted on the morning of the 12th of April at the Clarion Winn Hotel. Mr. Hartmann had been in the position of Food and Beverage Manager of the hotel since 2007, at the time of our interview. Prior to that title he worked as Assistant Food and Beverage Manager of the same hotel from 2002 when he commenced his career with Clarion Winn. His current title meant that he supervised the restaurant manager, breakfast manager and the head chef, and reported directly to the Managing Director. Some of his daily chores included advertising the hotel restaurant, the Brasserie Absint, in the local media as well as on the Internet in which we were particularly interested for this interview.

*Interview with Alan Kinsella- Food and Beverage Manager at Clarion Hotel Gillet, Uppsala*

The interview with Mr. Alan Kinsella was conducted on 25 April, 2012 at the Clarion Hotel Gillet in Uppsala. It was also a face to face interview and lasted around an hour long. He has been in the hotel industry working also as a food and beverage manager, restaurant manager as well as a chef in over thirteen countries around Europe for the past twenty-five years. At the time of the interview he had been working with Clarion Hotel Gillet for the past two years. He was in charge of a team of twenty-four staff and over headed all the logistics of the kitchen as well as the restaurant, as the Food and Beverage Manager and Executive Chef of one of Uppsala’s leading hotels. Some of his tasks were to also ensure employee satisfaction, so that they could subsequently give optimum satisfaction to their customers.

*Interview with Susanna Ståhl- General Manager at Clarion Hotel Stockholm*

The interview with Susanna was via email because she was on maternity leave at the time. Surprisingly, she responded to all our questions in detail within less than twenty-four hours, on the 3rd of May 2012. Susanna Ståhl was currently the General Manager, overall responsible for the hotel and had been employed by Nordic Choice Hotels since 2001. She had also vast experience in the industry and worked in different positions and hotels mainly with sales and
the last three years as a General Manager, at Clarion Hotel Gillet Uppsala and at the time of contact in Clarion Hotel Stockholm.

**Interview with Cecilia Eliasson- Travel Agency Manager at Resia, Gävle**
The face to face interview with Cecilia Eliasson lasted an hour long and was held at her office on the afternoon of the 12th of April, 2012. At the time of the interview she had been working in travel agency for more than twenty five years, having worked with resia under different ownerships for fifteen years. She was currently the team leader of three colleagues in the Gävle office, and also worked as saleswoman concurrently. Her tasks include managing the budget for the local office, handling the local advertising, and consulting with group tourists.

**Interview with Jeanette Holmén- Marketing Manager at Resia, Göteborg**
The interview with Jeanette was via email, for which she answered some questions that her colleague, Cecilia, could not and also because she was based in the company’s headquarters outside of Gävle, in Göteborg. She was actually referred to us by the same and responded to us directly on email, very promptly, in less than a week, on the 16th of April 2012.

**2.4. Qualitative Data Analysis: Deductive and Inductive Approaches**
Qualitative data can be analyzed through two major approaches, namely the deductive or inductive research approach. Inductive analysis is when the researcher commences with a specific field of study and permits for a theory to surface from it (Thomas, 2006). On the other hand, deductive analysis commences with previous theories or assumptions stated, with the principal aim to investigate whether data gathered will remain constant with the previous studies done (Thomas, 2006). In this thesis both research approaches have been used, with the dominant one being inductive. For instance, the authors began their research inductively with themes based on the particular research focus for the initial data collection. The initial conducted interviews consequently helped the authors to shape and link the patterns of the findings to what has been previously researched on the subject. This therefore shaped the deductive analytical approach of this research. Hyde (2000) suggests that researchers can apply both analytical approaches, but advises that an inductive analysis should be preceded by a deductive one. Following the same advice, the initial contacts we had with the representatives of the hospitality and tourism industry shed more light into the direction our study should take and also helped to narrow down these results to prior discussions, which
formed the theoretical framework of this paper. Also the empirical findings from the contacts that we had have been presented in an inductive manner; the transcripts were read through several times in order to come up with categories in which to present them in an easily understandable way. For this reason, the inductive approach is praised for its convenient and straightforward manner in drawing findings relevant to research objectives (Thomas, 2006).

2.5. Reliability and Validity

According to Easterby-Smith et al. (2002) reliability can be assessed by posing questions such as if the measures used in conducting research will produce the same results in a similar yet different occasion. It also poses questions on whether the same observations can be made by other researchers, and if there is transparency on how sense was derived from the raw data. Validity according to Easterby-Smith et al. (2002) is concerned with the legitimacy of the findings. In order to foster reliability and validity of the study, the authors of this paper have conducted interviews with multiple individuals, of the same sector, and in instances of the same company such as that of the Clarion Hotels. Also a similar interview guide was used in four interviews so as to compare and contrast different perspectives and meanings on similar issues. The interview guides were also constructed with themes and questions bearing the research questions investigated, and the findings from interviews were also categorized according to the research objectives. However it must be noted as earlier laid out that interviews have a tendency to be subjective, especially semi-structured ones and according to Marshall and Rossman (1999) findings generated from a non-standardized approach are not necessarily intended to be repeatable since they reflect the reality at the time they were collected, in a situation which may be subject to change. This study was conducted principally based on only two organizations and therefore the results cannot be generalized.
3. LITERATURE REVIEW

3.1. Word of Mouth
Customers are stated to emulate one another, relying on examples of each other’s prior experiences so as to get the best out of or to avoid replication of a mistake with a certain product or service (Litvin, Goldsmith, and Pana, 2008). More significant though is that they converse with each other (Litvin et al., 2008). These conversations and exchange of information between consumers about a company, brand, products or services is typically referred to as word of mouth. Research on WOM dates back to the 1960s, with the earliest researches defining word of mouth as oral interpersonal communication between a receiver and a communicator, where the receiver perceives the communicator as free from commercial influence, regarding a product, service or brand (Arndt, 1967 cited in Chan and Ngai, 2011). The definition later evolved to embrace “all informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services or their sellers,” (Westbrook 1987, p. 261 cited in Litvin et al, 2008). Breazeale (2008), Godes and Mayzlin (2004), Maxham and Netemeyer (2002), mention that word of mouth has been recognized over the years as one of the highest ranking forms of information transmission, whilst Cheung et al., (2008); Engel et al., (1969), and Katz and Lazarfeld, (1955) purport that it is the most successful of all marketing channels (cited in Chan et al, 2011).

3.1.1. The sources of Word of Mouth
The active players or communicators of word of mouth are regarded as opinion leaders (Litvin et al, 2008). The authors further state that opinion leaders have an interest in specific service or product fields, and apply their efforts to gain exposure in mass media where opinion seekers can benefit from their informative advice. These word of mouth originators are also said to be either from individual’s strong ties such as family, relatives or friends, or from weaker ties such as strangers or associates.

3.1.2. Factors mediating Word of Mouth
According to Litvin et al (2008), the factors that influence the spread of word of mouth can be divided into two categories: those that affect the communicators, and those that have an effect on the receivers.
On the communicator’s side the biggest influences are such as: a good interpersonal relation between employees and their customers subsequently impacts customers’ prospects to generate positive word of mouth about the company. Higher customer involvement in product or service development has also been linked to the probability of increase in WOM. And the element of surprise during the consumption process has also been positively connected to generating positive word of mouth.

From the receiver’s side Litvin et al. (2008) mention factors mediating WOM such as consumers’ assessment of a foreign brand is more vulnerable to change from WOM than that of a well-known brand. They have also noted from an experiment carried out by Laczniak et al (2001), that consumers consider the source of information, especially negative, before changing their view of a specific product or service.

3.1.3. Effects of spread WOM
The findings gathered by Arndt (1967), have remained largely the same to date that positive word of mouth is positively correlated with an increase of consumers’ purchase intention, whilst negative word of mouth has the opposite effect (cited in Litvin et al, 2008). Kirby and Marsden (2006) purport that negative word of mouth is even more influential than positive word of mouth, and can have irreparable consequences for a company or its brand.

3.1.4. The emergence of e-WOM from traditional WOM
The Internet and continuous expansion of the information communications technology (ICT), has brought a platform for consumers to share their experiences and views about products and services (Chen and Xie, 2008; Avery et al., 1999), as well as an advertising medium for marketers (Chan et al, 2011). Therefore one can note that as a result, the Internet has introduced a universal and networked e-WOM (Hennig-Thurau and Walsh, 2003).

Electronic word of mouth has been defined by Hennig-Thurau et al., (2004, p. 39) as “…any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the internet”. Leaving out the aspect of the Internet and one-to-many interaction, Harrison-Walker (2001, p. 63) defines e-WOM as an “informal, person-to-person communication
between a perceived noncommercial communicator and a receiver regarding a brand, a product, an organization, or a service”.

The e-WOM phenomenon has been considered as the extension of conventional interpersonal communication in the new era. Traditional word of mouth communications (offline) is confined within its boundaries and does not possess the capacity to reach the multitude of people on an international level that e-WOM can. Lee et al (2008) states that electronic WOM has altered consumers’ behavior and purchase decisions, to the extent of even leading numerous consumers to make decisions offline from information previously gathered on the internet. On a similar comparison to traditional word of mouth Bickart and Schindler (2001) suggest that e-WOM is considered to have more reliability and credibility than other forms of marketer influenced communications on the internet (Chan et al, 2011).

3.1.5. WOM versus Traditional Marketing
Kirby and Marsden (2006) outline the reasons why marketers should incorporate word of mouth in order to have some bearing on buyer behavior in the age where marketing channels are expanding rapidly due to improvements in ICT as:

1. Personal communications technology, such as social networking sites, mobile telephones are increasing the velocity and scope of word of mouth.
2. Improved marketing literacy amongst consumers means that there is a rise in discharge of traditional marketing campaigns as prejudiced information.
3. Acute advertising clutter is increasingly making it hard for marketers to gain their customers attention, as consumers consult their family and friends for word of mouth advice
4. Accelerating media fragmentation is narrowing down media audiences. It is becoming more difficult to reach target consumers with the proliferation of more media and marketing resources.
5. Ad blocking technology permits consumers to ignore or avoid unsolicited and interrupting marketing communications.

Traditional, mass media, marketer-consumer channels, such as newspapers, radio, and television are gradually being sidelined for the above suggested reasons, yet the conventional marketing campaigns still remain valid tools in the marketer's’ arsenal. Kirby and Marsden
(2006, p. 175) suggest the following three reasons for marketers to continue engaging in traditional marketing activities. Firstly, advertising stimulates word of mouth. Secondly, due to the uncontainable nature of word of mouth marketers can never have the same access to it as they do traditional marketing communications channels. Lastly, it is not easy to sway the opinion of people who already have a prejudice about a brand by WOM. For those reasons the authors state that strategies to manage word of mouth should incorporate conventional marketing mediums instead of replacing them. In a similar view, Trusov, Bucklin, and Pauwels (2009) add that traditional marketing may induce WOM, and deserves to be accredited for that indirect impact and the potential direct impact of customer acquisition. It has also been found that majority of word of mouth referrals and recommendations still occur orally in face to face communications. In a study conducted by Keller (2007), 76% of word of mouth chats still take place on a face to face basis, with 17% taking place on the telephone, and only 10% online (Longart, 2010).

3.2. Definition of viral marketing
In literature the designation viral marketing had occurred for the first time in 1996 in Jeffrey Rayport (1996, p.1) article ‘The virus of marketing’, in the same time the author proposed as an alternative interpretation for people that consider the viral word «hard» , the phrase v-marketing. According to Rayport viral marketing is a new method of advertising sufficient to withstand the pressures of mass media era and spread a message rapidly with minimal cost and maximum efficiency (1996, p.1). The above definition of viral marketing was the starting point for two different accepted views; the fact that the viral marketing is a customer centric communication system led many researchers as Helm (2000) and Welker (2002) to do a comparison with electronic word of mouth (e-WOM). Regarding the above stated Welker (2002, p. 7) and Woerndl et al (2008, p.34) express that viral is nothing more than a new variant of the good old word of mouth by using the Internet. The overhead theories are stated to the preceding explanation that viral marketing is the digital word of mouth (Kaikati 2004 cited in Mauro Bampo et al, 2008). Last but not least Kaplan & Haenlein (2011, p.253) further explained the theory of viral marketing by adding in the definition the existence of social media “viral marketing is an electronic word of mouth in which some form of marketing message, related to a company brand or product is transmitted in an exponentially growing way, often through the use of social media applications”.
On the contrary the second perspective was putting the theory of viral marketing a step further based in the effectiveness of viral marketing advertisement that could offer better results than WOM. According to Helm (2000, p.159), viral marketing is more effective and faster than traditional word of mouth. The difference is that viral can spread to larger audiences, not only locally but also internationally or globally. The only outstanding feature for the companies is that they should pay attention in the communication that they will try to operate among the sender and receiver. They should think about their audience psychology. “The message must capture the imagination of the recipients,” (Dobele et al. 2007 cited in Xiong and Hu, 2010, p. 238), also the promoters of the context should focus on the humorous and feelings of enjoyment (Phelps et al, 2004, p. 345 cited in Porter and Golan, 2010, p.2). Furthermore, the content of the message stays intact and does not get distorted like the word of mouth (Helm, 2000 cited in Woerndl et al, 2008). Likewise, Wilson (2000) described viral marketing like any strategy that encourages people to share internet messages to others, creating the conditions for exponential increase in exposure and influence of the message. Considering the above viral marketing is something that is only on the network (ex.via e-mail, online social networks). Similar processes occur offline Wilson calls them «word-of-mouth», «buzz marketing», «leveraged instruments», «network marketing».

To sum up all the previous definitions the authors of this study were inspired by all and tried to merge the theories into one. The viral marketing relies on the assumption that users will spread a company’s marketing message that they like in an online environment through blogs, emails, personal profiles etc. but the companies should make sure before that it will be something attractive for the consumers as a funny video or famous funny story that will be interesting to spread to friends and acquaintances.

3.2.1. First successful usage of viral marketing
Even if word of mouth can play important role in motivating buying behavior sometimes it can be risky for promoters. Many services consumed by persons are regular participants for viral marketing since the item for consumption can be seen or publicized as a part of interaction. Services like Hotmail and Yahoo had a rapid acceptance from the audience because in each email message a commercial was included for the service, and most importantly without any fee charged to the consumers. That is one reason why viral marketing became known through the history of Hotmail. Under their strategy addresses and email
services were given to users. At the end of every free message sent out was a label saying «Get your private, free e-mail at http://www.hotmail.com». The recipients of the messages read the built-label promotion and many decided to get this free service. Hotmail was spread very quickly throughout the global network. It was transmitted like a virus. In 18 months, Hotmail subscribers increased from 0 to 12 million users faster than any other company in the history of the world (Leskovewc et al, 2008, p. 2).

3.2.2. Main features of a good viral message
According to Kaplan and Haenlein (2011) in order for a viral message to bring success into the company and moreover to increase the revenue, companies firstly have to find out the right individuals that will transmit the viral campaign. There are three phases with three different names of characters that will help to forward the message 1) market mavens, 2) social hubs 3) sales people. Market mavens according to (Feick & Price, 1987 cited in Kaplan and Haenlein 2011, p. 256) are people who basically have entrée to a big amount of data about the market and usually have a close relationship with customers in order to expand any time everything that the company will come up with. Frequently they are the first that obtain and transfer the viral message. Social hubs according to Goldenberg et al. (2009 cited in Kaplan and Haenlein 2011, p. 256) are a group of people that have a remarkable sum of public relationships. They can communicate with more than one hundred people and possess the potential to join subcultures. And finally salespersons are useful sometimes only when there is no contact among market mavens and social hubs, their main role is to intensify the existence of the message by doing it in a more convincing and influential manner.

Secondly the company should find a worthy, appropriate, unforgettable message. The message should mainly focus to touch emotionally the receiver positively or negatively. In order for consumers to respond by rapidly forwarding the message to others, marketers can include humor in their theme, which has shown to be usually very effective (Dobele et al. 2007 cited in Kaplan and Haenlein 2011).

Third and last is that individuals frequently forward a message only if they feel that it is something new and interesting to let others know about it. In view of that, companies should concentrate more to link subcultures because it should appear at the right period to the right audience (Kaplan and Haenlein 2011).
To complete the fundamentals of viral marketing the authors have added some more features of viral marketing from a different source. Regarding Wilson’s (2005) theory we should add that viral marketing should 1) donate some presents i.e. free software programs, one day bonus etc., 2) The device that hosts the message should be undemanding and reproduce the message like email, Facebook, Youtube 3) The strategy should be based in a mutual inspiration and performance for its transmission and last 4) Exploits common motivations and behaviors. However, the nature of consumer behavior cannot be accurately predicted at all times and therefore there is a possibility that the previous suggested marketing efforts may not yield the expected viral marketing results.

### 3.2.3. Benefits and Drawbacks of viral marketing

The advantageous features of viral marketing are those that make viral marketing attractive to do business. Firstly, it spreads itself and helps provide broad coverage locally and globally (Woerndl et al, 2008, p.34). Viral marketing takes advantage of existing relationships without creating new stand-alone ones (Xiong and Hu, 2010, p.235). The cost of implementation is very small (Welker 2002, p. 4). And the majority of tools for viral marketing such as mailing lists charts, Youtube etc., are free on the internet (Kaplan and Haenlein 2011, p. 254). “Successful viral marketing depends on consumers perceiving value in the transmission and deeming it worthy of passing on to others without feeling as though they are being used in the process”(Dobele et al. 2005 ,p.7).

However it is sometimes difficult for the marketer to predict customer behavior leading to negative results. They cannot oblige users to support a product or to promote the message and sometimes they can become annoying. Despite taking into consideration the above stated, the enthusiasm that exists around viral marketing, there are researchers who are skeptical of this phenomenon. According to Dobele (2005) and Helm (2000) companies have limited control and cannot monitor the message that is spread. For instance many receivers of viral message perceive the content that they receive as “junk” email. Another disadvantage is the deficiency of lawful measures in conditions of viral marketing (cited in Woerndl (2008, p. 4). Lastly is the lack of moral standards because consumers can feel mistreated and that their privacy has been violated (Kaikati & Kaikati, 2004; Dobele, 2005; Phelps, et al., 2004 cited in Woerndl 2008). It is also noted that viral marketing may not be suitable for all products or services, as
the key factors lay in the characteristics of the product or service to be marketed (Woerndl et al, 2008).

The concept of viral marketing stems from the concept of word-of-mouth. The success of viral marketing is grounded on the number of consumers that a marketing message is continuously forwarded to; the higher the number of consumers that are reached by viral marketing communication then the greater its success. The first selected consumers that are approached directly by the brand push this marketing communication to their own spheres of influences which include friends, family and associates whom they know will be moved by their recommendation or interest in the message that they have been forwarded. The fact that the marketing communication is viewed upon as a recommendation and the sources or givers of the information are perceived to be trustworthy and commercial influence free links the phenomenon of viral marketing to word of mouth, because the latter concept is founded on these rules (see below figure 1).

Figure 1: Relationship between word-of-mouth and viral marketing (Source: Kaplan and Haenlein 2010, p. 254)
3.3. The significance of WOM in the Hospitality and Tourism Industry

In the hospitality industry, the most influential form of marketing communication is stated to be word of mouth (Kim et al, 2001). This is probably due to the nature of the service market sector that the hospitality and tourism industry finds itself in. The intangible nature of all businesses in the service sector encourages consumers to seek information from others before reaching a final decision on a service provider (Longart, 2010). According to Lewis and Chambers (2000) hospitality and tourism products are perceived as very risky purchases for which the emotional risk of reference group assessment is a significant element in reaching a final decision (Litvin et al, 2008). Negative WOM is reported to have a huge impact on the image of a destination, as dissatisfied tourists can spread unfavorable remarks regarding their experiences (Litvin et al, 2008). A USA centered research showed that tourists chose restaurants from WOM recommendations made by opinion leaders as opposed to formal media (Litvin, Blose and Laird, 2004 cited in Litvin et al, 2008). In the era of enhanced internet technologies, more travelers are reported to rely on the internet for transactions and information of their future destinations.

3.3.1. Generating positive word of mouth through customer relationship management

The secret to creating word of mouth connections lies in delivering a product or service experience that is beyond your consumers expectations, and coming up with campaigns that also surpass the customers’ expectations (Kirby and Marsden, 2006). The authors further mention that when a marketer invents experiences that surpass customers’ expectations, automatically, they create word of mouth, which subsequently creates sales. When it comes to the hotel industry this is not too different. In order to stay competitive, hoteliers have learnt that it is of extreme importance to build and sustain long term customer relations. Customers that are committed are not only less likely to switch over to competitors due to minor price increments (Reichheld and Sasser, 1990), but loyal hotel clients generate positive word of mouth, provide business referrals, supply references and publicity and act as advisors of certain management decisions (Bowen and Shoemaker, 1998 cited in Kim et al, 2001).

Relationship Quality

In order for hotels to gain committed clients, there is a need for a good relationship quality between hotel employees and clients. Relationship quality is defined as “…customers’
perceptions and evaluations of individual service employees’ communication and behaviors such as respect, courtesy, warmth, empathy, and helpfulness,” (Kim et al, 2001, p. 273). The higher the relationship quality the greater the number of returns to the hotel (repeat purchases) and the greater the positive word of mouth by hotel guests. According to Kim et al (2001), the factors contributing to relationship quality are:

1. Guest Confidence: occurs when employees serve customers as promised, and places guests’ interests and needs before their own. It is crucial to deliver services as promised in order to foster long term relationships.

2. Guest Contact: is important for a company when employees are called in to handle customer problems or complaints, because it is in such instances that a customer gets an overall overview of the entire organization and decides whether to engage in business affairs once more in the future (Bitner, 1995). Positive word of mouth can be generated after effective handling of customers’ complaints.

3. Effective Communication: Timely and two sided communication has a positive effect on repeat purchase, as it fosters trust and satisfaction by customers. According to the authors this is the most important element in relationship quality, so as to sustain long term relationships.

Relationship quality is positively correlated to guests’ commitment. Visitors with a high commitment level are most likely to turn into repeat guests, and engage in positive word of mouth with their close ties (friends, family and neighbors) about the exceptional services of a hotel and provide persuasive suggestions to stay at the hotel (Kim et al, 2001).

On a similar note, Torres and Kline (2006) recommend that in order to heighten loyalty and increase customer retention, hoteliers need to exceed customers’ satisfaction by delighting them. They state that continuously unsatisfied clients exit corporations which fall short of their expectations. Subsequently there is no risk at all related to crossing over to another firm because the present hotel has simply fallen short of their expectations. However, when the clients are satisfied, there is a higher switching cost associated because the competing firm should be able to provide a similar feeling. Interestingly though, the highest risk for switching brands lies in delighted customers, for whom competing brands must surpass expectations of. Customers at this level are therefore reluctant to change brands because they are not certain whether the other firm can truly exceed the services at the standard of their current provider.
Naturally people mostly speak about exceptional as opposed to average service, and in similar light delighted customers generate positive word of mouth for the company. Delighting customers is thus about delivering incomparable services that inherently drive consumer preference towards a brand. It is also popularly believed that the cost of acquiring a new customer is much more than that of retaining a current one.

### 3.3.2. Linking the outcomes of relationship quality to viral marketing

According to Torres and Kline (2006) delighting customers depends on the organizational and environmental influences as well as the behavior of the employees of a given hotel. As opposed to having services that are similar to competitors’ organizations that want to delight customers should have services that surpass their competitors and also provide an element of surprise to their customers. In addition the employees of the firm should also be more than capable and competent, and thus be also motivated and committed. In return delighted customers are more loyal to the hotel and less price sensitive than just satisfied customers, therefore giving the hotel an above average profitability. Naturally, the loyal and delighted customers speak out to their friends and associate about their exceptional experiences and refer the services to them too.

In this occasion we can see the ultimate bonding of online communication with offline like WOM. In figure 2 we portray how WOM is an output of delighted customers but in the meantime also serve as an input to viral marketing. Considering the above and the development of internet the use of online advertising will overtake the use of others traditional advertising. According to the figure 2 it is obvious that viral marketing in the hospital and tourism industry cannot stand alone as a viral campaign but be a part of the mix. According to Bampo et al. (2008) a viral marketing model is based firstly in the construction of the digital web based on the volume of network users, in the web pattern and connectivity limitations. Secondly the expansion of the operation message is centered on the operation plan. Thirdly the diffusion of the message over digital net system, peers to peers, as possible contact bonds are started from the possibility of spreading the amount of connections that are initiated.
Figure 2: A model linking WOM from the hotel customer delight to viral marketing process (Sources Torres and Kline, 2006, p. 298; Bampo et al, 2008, p. 282)
4. EMPIRICAL FINDINGS

4.1. CLARION HOTELS

The Clarion Hotels are chain of hotels under the global umbrella of the Nordic Choice of hotels. The Clarion Hotels are marketed globally by the Nordic Choice Hotels, but then also do their own local marketing in their respective regions, and Sweden at large. There are currently nine other Clarion Hotels in different cities of Sweden each distinguished by interesting environments, art, music and design. These are namely Clarion Hotel Grand-Östersund, Clarion Hotel Winn-Gävle, Clarion Hotel Wisby, Clarion Hotel Stockholm, Clarion Hotel Sign-Stockholm, Clarion Hotel Gillet-Uppsala, Clarion Hotel Örebro, Clarion Grand Hotel Helsingborg, and Clarion Hotel Plaza- Karlstad.

CLARION HOTEL WINN IN GÄVLE

The Clarion Hotel Winn is located in the city center of Gävle where there are plenty of places for shopping, entertainment, cultural experiences, and scenic nature within walking distance (clarionwinngavle, 2012). The hotel is “160 km from Arlanda airport and has 200 rooms and suites and a total of 400 beds. Apart from a pool and a heated garage, there are also 8 fully equipped conference rooms that seat up to 161 persons and 6 smaller premises” (clarionwinngavle, 2012). Brasserie Absint is the hotel’s restaurant. It is a privately owned hotel that began its services since 1985, but has only been under the Nordic Choice of Hotels since 2007. Therefore, this particular hotel pays a franchise fee to the Nordic Choice of hotels to use the brand Clarion. The hotel’s staff is comprised of forty-seven full time employees. At the head of the organization is the Managing Director, Mikael Junger and reporting directly to him are the sales manager, the hotel manager and the food and beverage (F&B) manager. We had a chance to interview the sales manager, Mikael Ericsson, in charge of all sales and marketing activities for the Clarion Winn, and the food and beverage manager, Claus Hartmann, in charge of all promotion and services in running the Brasserie Absint.

CLARION HOTEL GILLET IN UPPSALA

The Clarion Gillet Hotel is centrally located in the city of Uppsala, which is just five minutes on foot from the train central station (clarionhotelgillet, 2012). It boasts a total of 161 rooms and suites in various types and also owns a conference center with 23 conference and meeting
rooms. The hotel is stated to be Uppsala's most classic hotel dating back to the 1800s and has in various forms always been a lively meeting place for both Uppsala resident as well as the international first-time visitor (clarionhotelgillet, 2012). The hotel also prides itself in possessing one of Uppsala's most popular restaurants, Gillet’s restaurant. We first got in touch with the General Manager of the hotel, Johan Immelgard, and he redirected our request for assistance to the food and beverage manager, Alan Kinsella. Mr. Kinsella, like Mr. Hartmann of Clarion Winn, whom he shared a similar job title with, was in charge of all promotional activities and services in running the hotel restaurant. He is of Irish origin and has worked in over ten countries around Europe, which therefore gave us an outsider's perspective of the Swedish hotel industry and market.

CLARION HOTEL STOCKHOLM

The Clarion Hotel Stockholm is located a few stops by the metro from the city centre in the cultural district of Södermalm (clarionstockholm, 2012). It has over 500 guest rooms and is able to host a conference capacity of over 1000 people, which makes the hotel well known as one of the capital city’s biggest conferences and hotel complexes (clarionstockholm, 2012). We first heard of Susanna Ståhl, the General Manager of Clarion Hotel Stockholm, from the interview process we had with the sales manager of Clarion Hotel Winn in Gävle, Mikael Ericsson, and ran across her name on the website of the Clarion Hotel Stockholm again. We followed up with a phone call at the hotel where we heard that she was away on parental leave, but we were encouraged to attempt to send her an email as she was known to respond even when off duty. Luckily enough, we tried and she responded on the same day.

4.1.1. MARKETING STRATEGIES

The customer base of the Clarion hotels in Gävle, Uppsala and Stockholm is segmented into two, the business guests and the leisure guests. The business guests take a large chunk of the pie, making up for more than eighty percent of the hotels’ revenue. Subsequently different marketing channels are used in reaching out to the potential business and leisure guests. For the business clients, the sales manager from Clarion Winn in Gävle, Mikael Ericsson, mentioned that he mostly used face-to-face meetings to introduce the hotel. These were usually set up after receiving calls from potential customers, which according to the manager form between 40-50% of the potential customers. Also he keeps up to date from newspapers, television and informal networks of companies that intend to establish their roots in Gävle,
and follow them up personally by calling and visiting to introduce Clarion Winn. However, the managers from Uppsala and Stockholm noted that most of their business came from their online networks. Susanna Ståhl (2012) said that they also preferred it online “because we can control to whom, when and where, and we get the business when we want it”. In addition the hotels also sponsor their local football or ice hockey teams, such as Brynäs Ice Hockey team and the Gefle Soccer team for Clarion Winn. Thus, these sponsorships enable Clarion to receive referrals when these companies interact with their own clients or peers who are looking for a good hotel. In terms of the leisure guests, the managers explained that these were much harder to reach out to and form a relationship with, as they usually choose different locations to see in future. In Clarion Winn, the preferred mode of marketing to leisure guests was through partnerships with third parties, such as MackMyra Whisky. For instance when MackMyra Whisky does its own marketing for people to come and visit, then they suggest that they can be well accommodated at the Clarion Winn.

Even in the age of technology traditional marketing tools are important because they work as a complement to the new age forms of marketing, and will therefore continue to exist. “Customers need to be attacked from different directions”, Mikael stated. For instance in small cities like Gävle, people go where people go, and traditional marketing channels such as the newspapers, radio and television serve as a reminder purpose to where the masses are going. On the same note the manager from Uppsala also confirmed that traditional marketing channels are there to remind people of their business, to inform them that they are still around, whilst Susanna mentioned that they still needed them for reaching out to the elderly who are not very comfortable with using the internet. It was also noted that the most effective and therefore preferred of the traditional marketing channels that they used was the newspaper. The television was noted to be too expensive especially for putting up adverts during the prime hours, and the radio was observed to be slowly fading out because a lot of people listen to music, such as their own cds, instead of radio stations.

4.1.2. PERCEPTIONS OF VIRAL MARKETING

The sales manager of Clarion Winn Hotel, Mikael Ericsson, believes that viral marketing represents the future of advertising in the hotel industry because it is much cheaper as compared to the traditional forms of marketing. Basing on the same assumptions, the hospitality and tourism industry of Sweden are definitely open to use viral advertisements, the
sales manager confirmed. “The vision of the Clarion Winn is to be the hotel of the City”, stated the sales manager who believes viral marketing will enable the hotel to reach its vision. However, he stated that it was more applicable to use it in the big cities, like Stockholm. The manager from Stockholm, Susanna, whose understanding of viral marketing was the same as word of mouth online, also agreed that the concept was more suited to Stockholm. Susanna had previously worked in Uppsala, where she found that the general public with the exception of the youth was more traditional and expected advertisements in the newspapers. She also commented that the concept was new to the hotel, but they were in partnership with another company to help them optimize the benefits of the concept. Alan based in Uppsala, purported that viral marketing was by far incapable of replacing word of mouth, and stated strongly that if you’re not delivering quality service and good food, then it would not make any difference how much you advertised. The biggest challenge for viral marketing according to the sales manager was to make the communication message believable and not fake.

4.1.3. PROMOTING WORD OF MOUTH

Clarion Winn has contracts with promoters of celebrities so that their celebrities can use their facilities when they have functions or events that they are taking part of in the region of Gävleborg. For instance, the sales manager gave an example of the Swedish famous singer Pernilla Wahlgren who after her stay at the hotel wrote a very good review about her experience at the hotel on her personal blog. That is why he is also looking for more opportunities to have celebrities stay at the hotel, he mentioned. These celebrities are also covered by the media and through that Clarion gets wider coverage and influences people to come and stay where their favourite celebrities have stayed, the sales manager further stated. Another tactic they are using is the implementation of a Facebook page for the hotel restaurant. The F&B manager affirmed that being on Facebook not only helps the hotel to be seen out there but it also helps the hotel to target and interact with a set of new customers, the youth, who are always on the internet.

Another way that the Clarion Winn has reaped the benefits of word of mouth is with the Crazy Friday Concept that they have every Friday of the week from 4-6pm. During that time food and drinks from the restaurant are served at half price whereby customers cannot make reservations and instead are served on a first come first serve basis. The concept came up after there were a lot of complaints that the turnout of guests for the restaurant was low because of
a perceived unreasonable pricey menu. It started in September, 2010 from a local newspaper advertisement. The number of customers grew exponentially within just a few weeks to the extent that some people had to be turned away at the entrance. The news spread like a fire from customers to fellow friends, family and colleagues whom they invited on their own will to join in. However the restaurant is not fully open on those days because the hotel would like to maintain its high quality service standards which would be subsidized if it was. The fame of crazy Friday at the hotel has also increased the number of visitors it also receives during its brunch on Saturday, and the overall number of visitors it receives on a normal day where there is no special event. The advertisements on the newspaper serve just as a reminder and an informative purpose rather than the customer acquisition purpose when first advertised.

Also as a way to increase the rate at which its customers talk about the hotel is to exceed customers’ expectations. “Doing the unexpected for customers is the main thing that gets them talking about their experience,” mentioned Mr. Ericsson, and on a similar note Mr. Kinsella mentioned “Make the customer feel that they had the best experience”. The current slogan for all the Clarion hotels is “Clarion loves you” and before that it was “attitude is everything”. This is maintained by all employees of the hotel, beginning with the staff at the reception where you either can win or lose the customer just with the way you greet them. But mostly important is their timely and effective nature in handling customer complaints which gets people talking more positively about the hotel to others. According to Mr. Kinsella, the way they deal with problems is really important, and therefore they have to find a way to get an unhappy customer to return, other than just compensating for below standard services.

The greatest advantage for the Clarion hotels is the honesty and reliability of the word of mouth marketing communication form. Since it does not originate from them, it is more convincing and reliable for all potential customers that hear about Clarion Winn from other customers’ experiences. However, both managers of the Clarion hotel Winn, Mikael and Claus, believe that it is difficult to measure the results and therefore they cannot rule out to say that the outcome of customers is due to Facebook presence or word of mouth from other customers. “It is not easy to ask the restaurant guests where they have heard of Brasserie Absint or why they have decided to come”, stated Claus. However, the F&B manager of Clarion Hotel Gillet believes that there is a way that they can measure the results of word of mouth. He stated that the results of word of mouth are seen in the number of guests you receive on normal business days, between Monday-Thursday. If the hotel restaurant is 60-
70% full on such days, then it is most usually the spillover of word of mouth from the peak days, Friday-Sunday.

The hotel staff restrain themselves from encouraging or persuading their customers to talk well of them directly to others. According to the sales manager this makes it less authentic, and feels almost like they are bribing their way to get customers. It is enough to give the customers a memorable and worthwhile experience, which is bound to have them talking positively about you.

### 4.1.4. CUSTOMER RELATIONSHIP MANAGEMENT

The best way to ensure satisfaction from customers is to ensure that the needs of the customers are met and that their guests leave with a good feeling, mentioned the managers. There is no better way to ensure this than to communicate well with the customers, they suggested in different ways. “Listening is more important than speaking and no wonder we were given two ears to listen, and one mouth to speak,” commented Mikael from Clarion Winn. It is very important to have a good dialogue with the customers. For instance, during breakfast hours he sits in the restaurant so that he can also converse with the guests. Alan from Uppsala reported that it was very important to communicate with customers about their experiences. For instance he made follow up phone calls for conference guests to ask on feedback on prior services provided. Effective communication with the guests is of key importance to these hotels, and Alan mentioned that he also trains his staff to read body language of customers so as to solve issues they may be facing even if they are not saying it out loud. He pointed out that people in Sweden generally are reserved and do not air their complaints directly to the person they may be having a problem with, but will complain to fellow peers once they walk out. This at times brings confusion to the staff as they are not really aware that a guest may be unhappy, and therefore have to read in between the lines of what they might mean.

All the Clarion hotels managers agree that customer retention is more important than customer acquisition because it is a lot harder to acquire a new client than to maintain a relationship with their current ones. However, they are still interested in obtaining new customers because in the nature of business you also lose some customers, such as those whose contracts come to an end in the city. Susanna from Stockholm on this case mentioned
that they count on the quality life that they give to both customers and staff in order to retain and establish satisfied and loyal customers. The most important factors to bear in mind according to her are to give passionate service, and to “love what we do when we do it”. This also has to be achieved through consistent delivery of quality service and products, as in every single experience customers need to feel that they have received value for their money, commented Alan Kinsella. The frequent guests of the Gillet Restaurant are offered from time to time perhaps a free coffee or a free dessert. The Brasserie Absint restaurant strategizes to attract more hotel guests to eat at the restaurant, with the introduction of the affordable Clarion burger so as to beat the competition that the restaurant has with competing nearby restaurants. In Clarion Winn loyalty programs do not exist for restaurant visitors and are only offered to frequent hotel guests who are credited 35 kroner for every night and with 700 kroner to use in the hotel restaurant after staying for 100 nights.

Customer’s feedback is received on a daily basis for the hotel guests through the Loopon feedback system that the hotel sends out to all guests when checking out. An assessment of all departments is done through there such as the cleanliness of the room, up to the services offered in the restaurant. With the exception of Clarion Winn Gävle the other two hotels loopon feedback is automatically published on the hotels’ websites in an unfiltered condition for all visitors to review the comments. The loopon has really been helpful for customers who are not comfortable with directly laying out their complaints, as the technology provides a form of anonymity, such as the example Mr. Kinsella had laid out of his encounter with Swedish guests. He noted later that they were really quick to respond and give their feedback on the loopon, email or mobile phone sms. Also the Clarion Hotel Stockholm website had a link to the tripadvisor website, where various guests graded the hotel and gave their reviews based on their experience during their stay. From time to time the guest relations manager also personally responds to comments posted there.

For the local visiting guests, the hotel staff tries to engage in casual one to one conversations with them to ask them their thoughts on the food and services, and also retrieve feedback in the Facebook websites. The Clarion Winn Brasserie Absint Facebook account is personally updated by the F&B manager who also responds to viewers of this site, with the assistance of a colleague when he is not on duty. A regular guest at the restaurant had once commented on the facebook page of Clarion Winn that he had been served a cold and expensive lunch. Just
after reading this, Mikael, the sales manager called him up and found that out that the customer had been misinformed about the menu prices. In order to solve the complaint, the guest was compensated with a free brunch on Saturday. A few hours later the customer updated his status that he was very happy with how his complaint had been handled.

The Uppsala F&B manager mentioned that there was really not much they could do to control any negative remarks visitors would post on the social websites, but only counted on the positive comments to outweigh the negative ones. Claus from Gävle stated that he usually gauges the weight of the complaints made on the Facebook page, and when it is a complaint that the hotel is responsible for, then he contacts the viewer with the aim of getting a more personal contact such a phone call so as to solve the issue at hand more timely and effectively. At times the General Manager also makes calls to handle customer complaints, whether local or hotel guests, and this makes the customers feel very special and that their complaints are being taken seriously. Compensations, discounts or reimbursements on current or future customer transactions are all examples of how complaints may also be solved in the hotels.

The General Manager of Clarion Hotel Stockholm reported that they involve their guests in everything that they do, and all changes in the hotel were made after requests by guests. “When they see the change they get so proud that they must tell people!” Susanna expressed. The F&B Manager of the Gävle based hotel narrated a vivid example of how the hotel involves its customers in its decision making processes. He mentioned that a group of five frequent restaurant guests are usually invited to taste and give their honest feedback on dishes that are to be included in the restaurant menu for all guests. This feedback is then given to the Head Chef who then incorporates the suggestions and recommendations made. These dishes are then offered as specials offered on Fridays and Saturdays on top of the menu, with the aim of checking that at least five to ten people clean sweep their plates as a signal to include the courses in the main menu. This was not the similar case with Uppsala where Alan mentioned that there is no customer involvement in the menu like in Gävle because they want to balance all viewpoints, remain neutral and not favor any opinions, which may happen even though unintentionally when you let in customers to decision making processes of a company.
4.2. RESIA TRAVEL AGENCY

Resia was founded in 1974 by Erland Edvardsson and Björn Kellgren when they took over Alingsås travel agency. Their objective was for everyone living in the Alingsås area to receive the same travel agency service as people living in large towns and cities. The head office is now in Gothenburg, and the company has grown to a total of 60 travel agencies throughout Sweden making it the largest privately-owned travel agency chain in the Nordic region. Resia offers the sector's widest range of options for private, business, and group and conference travel. The group also includes Bengt-Martins, one of the leading players in mountain holidays in Sweden and Norway, and the Danish holiday cottage specialist. The company is accessible to its customers at its travel agencies, over the telephone and over the internet, and comprises three main business areas namely leisure travel, business travel and groups and conferences. (resia, 2012)

4.2.1. MARKETING STRATEGIES

The Resia office in Gävle is located in the city center and has a team of four travel agents headed by Cecilia Eliasson, the Travel Agency Manager. The flourishing business areas for the Gävleborg region are the groups and leisure travel. The manager notified us that Resia uses different tools of advertisements such as the newspapers and television and internet. On the internet, for instance, they have some offers like last minutes flights and in the case of upcoming events they send email to their customers. The headquarters of Resia, in Göteborg, does most of the marketing for all travel agents within the country, and sends regular updates on a weekly basis to all the other offices. The local offices, like Gävle in this case, only adapt their marketing strategies by putting up advertisements in the local newspaper suitable to their respective regions.

By taking into consideration the continuous and innovative development of technology Cecilia insists that companies should use all kinds of media. “The new technology is important and we cannot stay behind since everything is developing, alternatively though we have to keep traditional communication also for older people that are not familiar with technology,” Cecilia inferred. That is the reason why they are trying to keep catalogues in their office although the percentage of old customers is not more than 10 -15%.
4.2.2. PERCEPTIONS OF VIRAL MARKETING

The travel agency manager, Cecilia Eliasson, confessed that in their office cited in Gävle they do not use viral marketing as for them it is hard to get out to the media and promote their products. She personally finds it quite demanding and difficult to create an advertisement that is funny and that can offer happiness and enjoyment in a few seconds. Concluding she admitted that in their office they put their brand “RESIA” in their custom colours in order for the client to easily recognize the company. Cecilia said that she is afraid that no newspaper will exist in a few years, especially considering the rapid development in technology, for instance almost everyone uses an ipad nowadays. Supplementing Cecilia’s belief, Jeanette Holmen, marketing manager based in Göteborg, assumed “I think viral marketing has come to stay, at least as long as the social media will exist. It has been built on the same ground – recommendations - and through that it has a more substantial credibility”. Jeanette commented further that although Resia operates as a retailing company in the first place, they cannot really relate to viral marketing in the same way as a company who owns their products. “We have had our commercial film available on Youtube when we had a television campaign, but we did not have that many visitors. But I am sure that it is possible to measure not only visitors but also likeability etc,” she confirmed.

Cecilia Eliasson agreed without any doubt and with excitement that it will be perfect to use viral marketing in their future advertisements of the company but the only challenge in her opinion was that viral marketing is something that can be developed in a short time but on the other hand it can potentially destroy a brand very fast and easily. That is one reason why they prefer to use WOM. Cecilia assumed that WOM is more reliable for them and they can testify that from the Facebook page and blogs that they have.

4.2.3. PROMOTING WORD OF MOUTH

The greatest advantage of word of mouth according to the manager from the headquarters of Resia is “the strength of recommendation which cannot be beaten by ordinary commercials. It opens up doors when a friend or acquaintances share a film in their networks for example”. Cecilia claimed that they optimize the transmission mechanism by doing the unexpected, such as mobile travel agency. These include activities outside the office in locations that customers do not expect, such as putting a resia travel agent stand at a local function. They also put up billboards and posters in train and bus stations to help people (re)connect with the company.
She said that the campaigns are done in a similar way all over the cities. Resia relies more on customers’ spontaneous and natural behavior. “You cannot tell them to promote a message for you. They have to do that by themselves only if they feel satisfied with the services”.

4.2.4. CUSTOMER RELATIONSHIP MANAGEMENT

Cecilia believed that the most important factor is to keep customers and then you can gain new customers. She believes a good and simple strategy is to keep contact with the customers. This can be achieved for example, by calling their customers in advance to wish them a good trip and sending out personal welcome home cards on their return. Further explanation was given that summer presents, such as bags or floaters, are also offered to loyal customers. Personal letters are usually sent out to the clients who have been selected to get a present, and roughly about 70% of them turn up at the Resia office to collect their presents.

According to Cecilia's experience they receive very few customer complaints and in the cases that they do, then it is often not directly for them but for their partner for instance hotel or airlines that they cooperate with. In those occasions they transfer the complaints to the companies that they collaborate with, but they remain in the loop to ensure that their clients’ problems are fully solved. Most complaints are solved by giving compensations or discounts in future travel transactions. Generally, they are trying to do their best and to listen to their customers’ needs or discomforts in order to be better in the future.

The above mentioned statements give an account of the perceptions of the managers of the Clarion hotels and Resia Travel agency towards the concepts of viral marketing and word of mouth, and how the concepts are connected to customer relations that the organizations rely on. The managers’ opinions reflect their personal experiences with the concepts based on daily working practices in their respective organisations.
5. ANALYSIS

At the beginning of the this study, the authors set up research objectives related to viral marketing and word of mouth in order to investigate the current situation in hospitality and tourism industry in Sweden, towards the two concepts. Through the literature review and the results gathered from the qualitative personal interviews that were conducted from the managers of the Clarion Hotels (Winn in Gävle, Gillet in Uppsala, and Stockholm) and Resía Travel agency, the interviewers give the below analysis in line beginning with the general preferred marketing tools in the industry, the significance and link between customer relationship management and word of mouth, as well as the perceptions and suitability of viral marketing in the companies.

5.1. Preferable marketing tools

The organizations that the authors gathered information from in order to complete their research were all utilizing different tools and platforms for advertising their services. On the internet they were reaching out to their customers through email, blogs, social networking sites like Facebook and Youtube, as well as the companies’ web sites. In the case of Resia travel agency, the manager mentioned that they were using internet in order to keep up with the rapid growth in development and technology that a lot of people are involved in. In the case of Clarion the managers mentioned that they prefer to use the internet so as to be seen out there and it also helps them to target a new set of customers like the youth who are always on the internet. They also feel that the internet provides a much cheaper way of marketing compared to the traditional marketing tools.

Off the internet traditional marketing tools such as local newspapers, television and radio advertisements are used by all companies. Of the three the most used was the local newspapers because the television is rated as very expensive and the number of consumers that use the radio is gradually shrinking, according to Alan of Clarion Gillet. The reason why traditional marketing tools still remain popular in these companies is because it can complement all internet marketing strategies such as viral marketing or electronic word of mouth. Trusov et al (2009) mentioned that traditional marketing stimulates word of mouth. For instance the sales manager of Clarion Winn mentioned that customers need to be attacked from different sides meaning that companies need to reach out to their target market by different marketing strategies and tools, whilst Alan of Clarion Gillet and Cecilia of Resia
mentioned that traditional marketing serves a reminder purpose to consumers about the company. Also Cecilia and Susanna believe that the traditional ways of advertising should still stick around because not a lot of the older generation is capable of using the internet, even though some are slowly becoming familiar with it.

Overall the internet is the future of advertising according to the travel agency manager of Resia because nowadays a lot of people spend countless hours using the internet, especially the target customers of the hospitality and tourism industries. We can relate this to the conclusion reached by Litvin et al (2008) who stated that in the era of enhanced internet technologies, more travelers are reported to rely on the internet for transactions and information of their future destinations. For the hotels, Mr. Kinsella and Mrs Ståhl from Uppsala and Stockholm confirmed the same; the chain of hotels under the Nordic Choice Hotels actually does most of its advertising on the internet than offline. Most of their guests find out and book their stay at any of the Clarion Hotels through different electronic sites and pages that the global group or the local Clarion Hotels themselves have implemented. Technology is evolving very quickly and everyone is being subconsciously driven to catch up with it. The Resia travel agency manager mentioned that she anticipates that probably in the future we will reach a time where everything will be advertised online and perhaps even newspapers will cease to exist.

The most preferred means of advertising that all the managers, in the hotel and travel agency companies, kept re-confirming throughout the interview process was the powerful word of mouth. In the tricks and trades of their marketing strategies, nothing could outshine a recommendation made by their customers to their own social spheres of influence. The F&B manager of Uppsala strongly believed that no other form of marketing will ever replace the powerful word of mouth, and went further to state that it would never matter the amount of advertising that a company does if its consumers do not speak well of it. Word of mouth speaks even bigger volumes for them in this specific industry because it is what customers look for when they want to approach them for their services. Kim et al (2001) mentions that this is the most influential tool of advertising in the hospitality and tourism industry.
5.2. The essence of customer relationship management

The Clarion Hotels have a motto that concentrates on giving the best to the customer in the light of building strong customer relationships at the same time. The chain of hotels motto at the time of the interview was “Clarion loves you”, and prior to that it was “attitude is everything”, according to Mikael Ericsson and Alan Kinsella. This was a feeling that they wanted all their guests to be welcomed by, right from entry down to every service encounter clients would experience during their visit at the hotel. Susanna enthusiastically portrayed by stating that they aim to give passionate service and love what they do when they do it. Not only are the hotel staffs taught to be friendly and warm at all times to guests, but in addition they are also trained to observe their guests body language. This helps them to swiftly act on customers’ needs or preferences in the hope of preventing a bad customer experience that could lead to loss of business and potential clients. In the case of Resia, Cecilia mentioned that the agency made calls to their customers before departures and on their returns they would send a personal welcome home card by post. We can relate the above to Kim et al’s (2001) personal view about relationship quality that should be characterized from consumers’ perception of service providers such as friendliness, understanding, respect, consideration and kindness. With regards to Bitner’s theory, company employees should be very meticulous at all moments they interact with their customers, because that is the tipping point for the relationship to either continue or to otherwise come to an end (Bitner, 1995).

High emphasis is given to serve the customer with the best quality that can be possibly offered at all times, in a consistent manner. And when they fail and recognize that they have disappointed a customer, they are supposed to find a reason to retrieve the customer and retain their trust. In all companies it was very important how they handled this feedback especially when it was in form of a customer complaint. At times it meant that a top manager would step in so as to show the customers just how much the company valued them. There were different ways in which these companies could get feedback from their clients after their service encounters such as the loopon system for the hotel guests, Facebook web pages for all companies, the blog which Resia was also using, telephone follow up calls, as well as one to one interactions. A live example one to one interaction is the case of restaurant guests, where the managers in charge would randomly ask their guests how they felt about the meal and service in general. Sometimes though, they did not receive honest feedback this way. For instance, it was noted was that Swedish customers were not very outspoken when it came to
giving a bad critique. However, they were found to be more responsive and honest to telephone messages or emails where there was no direct personal contact with the hotelier. This also shows that there is also a need for there to be different ways to ask for customer’s feedback so as to maintain respect for differences that marketers in this industry may come across, the biggest of all being cultural disparities. Only when there is communication between the company and customers can it be called effective and be able to sustain a long term relationship, as it also offers satisfaction and trust in the eyes of the customer (Kim et al, 2001).

Building a relationship with the customer is solely based on providing and catering for their needs, and in so doing laying a foundation for a solid brand-customer bond. They also achieve this through involving their customers in the hotel’s decision making as mentioned by the F&B Manager of Clarion Winn and the General Manager of Clarion Stockholm. When customers have full trust of the company then they also become less price sensitive and are less prone to be moved to competing brands (Kim et al, 2001). This the aim of the management in the hospitality and tourism organizations in times where consumers are even more price sensitive due to global economic and financial downturns.

5.3. The outcomes of customer relationship management- word of mouth
Clients of service providers, especially costly ones, make their move based on the word of mouth that is generated by previous consumers of the same services. Thus falling into this same bracket, being a provider of intangible goods makes the hotel and travel agency industries highly reliable on the communications and recommendations between its current customers and all potential customers (Litvin et al, 2008). The satisfaction or dissatisfaction that customers testify to have in their interactions has a direct effect on the outlook that the receivers of that information will have on the service, company or brand in discussion at that time. For instance, the managers from the hotels confirmed that customers make purchase decisions based on what they hear, so that they can get a service that is worth the money they have spent on it.

In order for customers to generate positive word of mouth, companies need an element of surprise in their marketing communication (Kirby and Marsden, 2006), and above average customer relationship management in delivery of their product or service (Torres and Kline,
2006). Cecilia of Resia and Mikael of Clarion Winn refer to this as doing the unexpected for the customer, offering them a service that they will not forget in a long time to come. Alan of Clarion Gillet mentioned that a customer should be made to feel that he or she has been given the best experience ever. We connect this to delighting the customer, exceeding satisfactory services which result in positive word of mouth by customers (Torres and Kline, 2006).

Taking into consideration that bad or negative word of mouth spreads faster and to a larger group of people, makes hoteliers even more sensitive in ensuring that they provide quality and satisfactory services, so as to protect their image from being tarnished by the harsh and rapid effects of negative word of mouth (Woerndl et al, 2008; Kirby and Marsden, 2006). We may conclude that the results of our study showed that this is even more pronounced in small cities, such as the case of Gävle, where as the sales manager mentioned, “People go where people go in Gävle”. The consequences faced when bad word of mouth is spread in such a scenario can be really detrimental to the sales of a hotel, and overwhelmingly positive in the case of good word of mouth. The extreme case of positive word of mouth has been experienced at the Clarion Winn in instances such as the Crazy Friday concept where people have to be turned away at the entrance due to the large turnout of customers. And in order to maintain consistent quality service for their customers on these days, the hotel restaurant is not fully opened, knowing that when they fully open it they may run the risk of providing substandard services which will subsequently lead to customer complaints and negative press for the concept and the hotel. Even though as customers may be disappointed to be turned away at the entrance, definitely the thought that the hotel has their consumers best interest at heart and are not doing it all for the money, makes the consumers feel much more appreciated.

Although it is not easy to assess the results or effectiveness of any form of advertising, as all managers agreed, they still mentioned a few instances where they know that the turnout of a certain group of customers was due to word of mouth. One instance is the above mentioned of the Clarion Winn Crazy Friday concept, which the sales manager confesses that the large turnout of guests at the restaurant was due to onward notification of guests who had experienced it and then advised and invited their friends, family and associates to tag along. On the same point, the Uppsala manager and the sales manager of Gävle both agree that the
higher turnout of guests on the normal days of the week is an indication of the indirect result of word of mouth from such events.

The transmission of word of mouth is both traditional and electronic for the three Clarion hotels. In the bigger cities for instance such as Stockholm and to a certain extent Uppsala in this case, the company and its customers interact more on the internet, especially with the hotel clients, where also ninety percent of feedback was received. The electronic word of mouth based on the experience during their stay is generated in terms of feedback which is automatically published in its unaudited state on the hotel’s website. This is not the case in Clarion Winn, which although uses the same feedback system, the reviews are not published on the website for all viewers to see. The travel agency also had its own blog in which customers could update their experiences about a trip arranged by Resia. The Facebook sites that both hotels and the travel agency have implemented also serve as a platform for word of mouth. According to Alan of Clarion Gillet Uppsala he only hoped that in all the cases that word of mouth the positive would outweigh the negative since it would be unethical and dishonest to filter out the negative reviews they get from their customers, even though such comments may serve to lose out on potential clients.

5.4. Perceptions and suitability of viral marketing to the industry
According to the research in hospitality and tourism industry the authors realize that the companies definitely are not reluctant to use viral marketing. Conversely, the companies were not so familiar with viral marketing, although the authors explained the definition of viral marketing the view that the managers had about it was based more in word of mouth type of advertising. For instance the Stockholm based Clarion manager stated that to her viral advertising was the same as word of mouth online. Once again this goes to also show that the concept of viral marketing is interpreted differently as we had stated in the problem discussion chapter of this paper. It does not come as a big surprise though for us to get this interpretation, as the word of mouth concept has for many years been purported as the most suitable and effective for the hospitality and tourism industry due to the nature of the service market (Litvin et al, 2008 cited in Xiong and Hu, 2010).

Even though the managers prefer word of mouth as a tool of advertising some of them confessed that the future could possibly drive them to the use of viral marketing. In such a
case our understanding leads us to conclude that when they refer to word of mouth it is in its traditional form, and the future movement into viral marketing is actually word of mouth on the internet. The managers of the Clarion hotels and the Resia Travel agency expressed that they are eager and willing to incorporate it into their marketing strategies and benefit from its advantages, but at that moment they were not really practicing it, although steps were being made to achieve this in Clarion Stockholm through cooperation with another firm for this purpose. Efforts have been made towards gaining the benefits of viral marketing. For instance, Jeanette from Resia, mentioned that they published an advert on the social media platform, Youtube, but they did not receive such a warm response for their marketing efforts as they anticipated. Michael the manager in Clarion Winn said that for sure viral marketing will be important in the following years to be used.

There is a strong feeling from the Uppsala manager’s argument that no matter how much advertising a company or hotel did, if the customers do not talk well of them then there would end up being no sales difference to compensate for the energy used in marketing activities. From the same point of relevance the other managers of Clarion Winn and Resia also note that their companies are not in the business of encouraging their customers to speak well of them. Their experience with the company’s services should suffice to drive their customers to speak out about their encounters. When this is done, they believe it makes the message fake from their customer’s viewpoint, unlike word of mouth in its traditional or electronic form which serves as more reliable, trustworthy and honest for customers looking for opinions of others in order to decide. However, viral marketing may possibly fulfill this idea, because viral marketing is an advertisement that the viewer cannot realize at the starting point that it is a promoting message. In contrast viral marketing should be a message that is informative yet concurrently cause feelings of laughter or fear (Phelps et al 2004 cited in Porter and Golan, 2010). In general it should be something that will surprise potential customers and that moves their interests and gives them an incentive to further broadcast the marketing communication.

Also, bearing in mind that Sweden is a country with a very high usage of the internet (Findahl, 2011), viral marketing can thus be considered an important advertising tool for the companies mainly because of the cost saving and extensive projection from the internet. Viral marketing is the technological extension of the word of mouth (Welker, 2002, p.7) and it is more effective and faster than word of mouth since the viral spread may be more common and not only locally but also internationally or globally while the content of the message stays
intact and is not distorted like in word of mouth (Helm 2000). Looking at the competitive advantages of viral marketing in relation to the word of mouth marketing and traditional advertising cannot focus only on the low cost when one of the most important advantages are the results that are measurable in viral marketing. In the newspapers and on television you cannot monitor how many people read or watch advertisements. For instance, people can switch on the television and advertisements may be played while they cook. Similarly it can be with the newspaper, that the reader can just turn the pages without reading. But if you see a viral video lasting three to five minutes and afterwards comment, like, forward it, or write on Facebook or blogs, it means that you have an interest in the topic and get deeper in it by doing the previously stated.

In the age where consumers are constantly bombarded with countless advertisements, most turn to their close ties to seek advice prior to making purchase decisions. The hotel and travel industries, which are considered luxurious and expensive in their nature, are even more affected as customers plan purchase decisions very carefully and take reviews from other consumers very seriously when confirming their final decisions. Viral marketing from a message or video may seemingly be construed to have short-term effects, whilst personal recommendations, such as word of mouth have a longer lasting effect because it presents the reality, in the hospitality and tourism industries of this study.
6. CONCLUSION
The purpose of this thesis was to gain an understanding of the concept of viral marketing and its applicability as well as its primary link the concept of word of mouth and its relevance to customer relations, in the hospitality and tourism industries of Sweden. The internet is recognized for having brought up a platform which allows for easy interaction between marketers and their customers. But better still, it has provided a medium for which consumers to consumers have also been granted the opportunity to advocate for or against a company, brand, product or service within their online circles of interaction, leading some to even make purchase decisions based on the recommendations made from fellow consumers. This type of interaction which is commercial influence free between consumers to their family, friends and associates is known as electronic word of mouth when online, and as traditional word of mouth when made off the internet. Literature reviewed revealed that the hospitality and tourism industry are mainly reliant on this form of marketing because of the intangible nature of their goods. We investigated the strategies used in the industry’s customer relationship management tactics so as to generate positive word of mouth. Also, the relatively new concept of viral marketing, which is an extension of electronic word of mouth with an element of commercial influence, was assessed for its applicability in the hospitality and tourism industry.

The hospitality and tourism industries of Sweden in this study were represented by two companies, namely the Clarion chain of hotels; Clarion Winn in Gävle, Clarion Gillet in Uppsala, and Clarion Stockholm, and the Resia travel agency company based in Gävle, but we also got some input from the marketing manager at the Headquarters of the company in Göteborg. The qualitative research gathered from the companies was based on structured email interviews and semi-structured personal interviews, as the study was made on a small sample with the aim of deriving meanings and understandings from managers whom interviews were held with. The authors conducted a total of three face to face interviews and one email interview with the Clarion Hotel managers, one face to face interview with Resia Travel Agency, whilst the other manager based in Göteborg responded to us via email.

The results of the research showed that the organizations in the industry, travel agency and hotel, have minimal incorporation of viral marketing in their marketing strategies. They are more reliant on the word of mouth concept from the customers, whether passed on in traditional form (off the internet), which was more relevant to the small cities like Gävle, or in
electronic word of mouth format, more observed in the bigger cities like Stockholm. The companies are reluctant to take up marketing strategies that push them to directly approach customers to advocate their marketing communications, which is the essence of how viral marketing operates. They deem this type of marketing strategy as less authentic, less reliable and less trustworthy because it is not based solely on the customer’s experience, but has more of a commercial input. Instead they prefer to generate positive word of mouth from their customers by giving them unforgettable and delightful experiences that their customers cannot resist to talk about. The staff is trained to deliver as promised, to effectively communicate with the customer, and to solve their complaints in a timely and helpful manner. They are very keen on settling customer complaints because they know that negative word of mouth spreads much faster and to a larger group of people than positive word of mouth. They count on their high quality services to speak for them and build relations that will retain customers through which they are sure to gain new business from referrals made by their loyal customer base.

This study demonstrated once again that word of mouth is yet to be succeeded by any other marketing form within the hospitality and tourism industries. This thesis has also revealed the same trend within the Swedish market which is an implication that other managers, scholars and practitioners in other parts of the world can also get an insight of. It has also portrayed that the industries are highly affected by what their customers spread about them, and due to that they aim to deliver their own self-advertisements in creating magical and memorable customer experiences that their customers can speak fondly of. Thus they are reliant on managing quality relationships with their customers in every service encounter, so as to exceed customer satisfaction that will in turn yield positive word of mouth.

6.1. Own Comments
The results of this thesis research indicated that the hospitality and tourism industry are yet to utilize the maximum effects of the viral marketing concept. Customers and internet users are attracted to intelligent videos, and therefore industries should focus on creating a very unique and innovative idea in order to have the desired effect. We believe that this new phenomenon has a lot to offer this particular industry, because it is an extension of the well accepted word of mouth concept that the industry highly values. The greatest advantage of the viral marketing concept is that the content of the communication will not be changed in any way at
all. Unlike in word of mouth, where the content of the message is pronounced according to the sender’s mood, assumptions and even cultural background, viral marketing offers senders to send receivers of marketing communications the message in an intact form, free from any of the aforementioned elements or modifications.

The companies that we interviewed have the opportunity to make more out of viral marketing. For instance the Clarion Hotels are already sponsoring the local ice hockey and football teams of their respective cities, which could make it much easier and effective to launch their viral marketing campaigns with. They stand the possibility of using the stars of the teams in their advertising campaigns in exchange for discounted prices when using the hotel facilities such as the gym, spa, restaurant or overnight stay. These adverts could be uploaded on the hotel’s website, and social network sites, so as to get people aware and talking about them. In addition, they could also select a few of their esteemed and frequent customers and request them to be filmed on the same set with the stars, and then ask them to forward the video to their friends and associates too. Having the stars on the video will create an appeal for fans and guests to familiarize themselves with the stars in the same organization, but the other guests in the advert will also create the feeling that it is something that can also be done by the ordinary and common people. In the case of the travel agency, similar viral marketing campaigns could follow after signing a similar contract with a local sports team for a certain period of time to use the travelling agency for a period of time for all vacation and travelling arrangements.

Since the organizations received the idea of viral marketing with enthusiasm, the above examples are ways in which they could make more of the cheap yet effective concept from what they already have in place in their tools and platforms for marketing. There are numerous ways to apply viral marketing. Sometimes just need to start with fantasy, humor, innovativeness. All social networks (Facebook, Youtube, Twitter) offer enormous potential as a reference to web promotion and viral marketing, and the organizations that we interviewed were already using this. The steps to follow are as follows a) create a company profile, b) invite all your friends to join a network that you create for your business, c) publish articles through the website or blog of your business which will appear in your news feed and friends. The managers of the hotel and travel organizations expressed that the concept represents the future of advertising and they need not lag behind the other industries that already making the
most of it. It is only through attempt that they may discover the optimal benefits of viral marketing.

### 6.2. Suggestions for future research

This study of this thesis focused on getting the opinions of the representatives of the hospitality and tourism industry’s so as to understand which and why are their preferred tools of marketing, with a deeper focus on the concepts of word of mouth and viral marketing which is an electronic continuation of the former. It would be advisable in the future to conduct a quantitative survey or a combined qualitative and quantitative study that would also generate the opinions from the targeted customers of this industry, to confirm whether similar results can be reached. Customers can be contacted and asked to fill in a survey through emails or by personally handing out the surveys to the customers.

It should also be taken into consideration that the hospitality and tourism industry is made up of various organizations such as hotels, airlines, travel agencies as well as tour operators. For this thesis only the hotel and travel agency companies were taken to represent the hospitality and tourism industry. As a continuation of this study it would be worthwhile to also conduct a research with the other companies in the industry that our thesis did not take into account. Also, from the hotels and travel agency organizations only two were used for this research. And for that reason, the results of this study can be incongruent with the views of other hotels or travel agencies that we did not base our research on. Furthermore, the sample of our qualitative interviews was small, thereby limiting the generalization of the authors’ research findings to the other Clarion hotels or Resia travel agencies in the other cities of Sweden.

The general view of the authors from the findings of this study indicated that viral marketing at the time of this research was not yet popular in the Swedish hospitality and tourism industry. Perhaps this was also due to the above mentioned limitations of the research. However a similar study could be done later to assess the benefits of implemented viral marketing actions, if the situation should have changed. In addition the authors of this study also found out a lot of differences among using viral marketing in other kinds of businesses or in more central cities versus smaller cities, so the authors also propose that a further research could be done to make clear why the theory is different with the reality and maybe give suggestions if the situation can be modified.
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8. APPENDIX 1:
Interview Guide with Claus Hartmann – Food and Beverage Manager at the Clarion Hotel
Winn, Gävle

1. Please briefly describe your job responsibilities and the length of time you have been with the company?
2. What are your main reasons for using social media web pages, such as Facebook?
3. How often do you update and respond to customers on the Facebook website?
4. How do you control or handle negative comments that customers may pass on?
5. Can you measure the effectiveness of your social media marketing tactics, e.g. Facebook?
6. Why do clients pick Clarion Winn to come and dine instead of other competing restaurants in the region of Gävle?
7. What strategies do you use to retain and establish satisfied and loyal customers?
8. How often do you get customer’s feedback?
9. Have you ever used customer’s feedback to improve or come up with new offers?
10. Do you modify your offers according to seasonal events?
11. What is the greatest advantage of viral marketing according to your experience?
12. What factors do you consider essential to promote viral messages?
13. Anything else that you would like to add?
9. APPENDIX 2: 

*Interview Guide with Mikael Ericsson (Sales Manager at the Clarion Hotel Winn- Gåvle), Alan Kinsella (Food and Beverage Manager at the Clarion Hotel Gillet-Uppsala), Susanna Ståhl (General Manager at the Clarion Hotel Stockholm), and Cecilia Eliasson (Travel Agency Manager at Resia- Gåvle).*

1. Please briefly describe your job responsibilities and the length of time you have been with the company?
2. Which channels do you use to market yourselves to your customers? Which of these channels do you find most effective to your organization, and please explain why?
3. It is stated that viral marketing is nothing more than extension of word of mouth marketing. What do you think about that?
4. Today, in a market like Sweden, are hospitality and tourism industries ready to use viral advertising?
5. Do you think viral marketing is a temporary phenomenon with short effects or represents the future of advertising?
6. What is the importance of traditional marketing channels (one-way communication) in the era of social media platforms (such as Facebook, Twitter, Youtube, etc)?
7. How do you optimize the transmission mechanism of your viral marketing communications?
8. What are the factors that push customers to promote viral messages?
9. Do you use the same viral message to all countries and or cities (if the company operates in more than one branch)?
10. What is the greatest advantage of viral marketing according to your experience?
11. Are the results of viral marketing in your industry measurable?
12. What is more important for you, customer retention or customer acquisition?
13. What strategies do you use to retain and establish satisfied and loyal customers?
14. How do you encourage your customers to engage in Word of Mouth Marketing?
15. How do you handle negative comments that customers may pass on about you?
16. Anything else that you would like to add?