

# UNLOCKING THE POTENTIAL OF INTEGRATED MULTICHANNEL SERVICES FOR IMPROVED CUSTOMER REACH IN THE LEBANESE HOSPITALITY INDUSTRY.

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## **Abstract**

This study examines the opportunities and problems of adopting integrated multichannel services in Lebanon's hotel sector, using a service science viewpoint. In light of increasing digital technologies and changing consumer behavior, an exploratory study was undertaken with hotel managers and online travel agencies to investigate hotels' integrated multichannel offerings. The findings indicate that hotels have multiple channels with integrated multichannel services. However, deviations exist in the integration of direct and indirect channels via online travel intermediaries. The report suggests ways to improve integrated multichannel offerings in the hospitality industry and increase domestic tourism demand. This study adds to a better knowledge of the obstacles and opportunities in implementing integrated multichannel strategies.

**Keywords:** *Integrated Marketing Strategies, Hospitality Firms, Integrated Multichannel Services*

**JEL codes:** *M31; M37*

## **Introduction**

Customers have noticed a growing trend toward multichannel services over the previous two decades. Because of the advancement of Information and Communication Technologies (ICT), retailers today use a variety of channels to provide clients with similar offerings (Forrester Inc 2014). More recently, the introduction of internet channels and ongoing digitization have changed the marketing environment into a new era of multichannel services (Leeflang et al. 2014; Rigby 2011; Verhoef et al. 2015). This is driving fundamental shifts in both traditional marketing strategies (Webb 2002) and customer behavior (Dholakia et al. 2010).

Hence, the Internet has transformed the way tourism companies conduct business (Ansari et al., 2008). Tourism websites and social media, whether through adverts or social media influencers, provide the majority of booking leads (Ansari et al., 2008; Bahar et al., 2021; Bahn & Fischer, 2003; Bendoly et

al., 2005) . The volume of data being generated across high-traffic platforms and popular applications is astounding. Every minute, Facebook users share 240k photographs, Twitter users send out 575k tweets, Instagram users share 65k photos, Google conducts 5.7 million searches, and 6 million individuals shop online (Berman & Thelen, 2004). Furthermore, according to Statista, online users spend an average of 147 minutes every day on social media platforms (Coughlan et al., 2014). Nowadays, travelers consult Internet reviews to determine their trip destination, lodging, and restaurant, demonstrating that social media platforms can influence users' booking decisions (Daniel & Wilson, 2003) .

In the hospitality industry, hotels and resorts currently utilize a mix of direct and indirect channels to reach out to domestic and foreign tourists, such as brick-and-mortar, online stores, referral websites, social media, emails, catalogs, telephones, and so on. Multichannel integration is consequently necessary to improve operational performance, distribution efficiency, and customer service quality. However, having many channels may result in "channel cannibalization" and a lack of interactions and synchronizations (Piotrowicz & Cuthbertson, 2014). Furthermore, service integration in multi-channel marketing has arisen as a significant problem for organizations seeking to provide consistent and transparent service to clients (Quach et al., 2020). However, based on our observations, knowledge and comprehension of integrated multichannel services remain foreign to firms, particularly small and medium-sized enterprises (SMEs) and enterprises in developing nations.

In light of the mentioned above, the primary goal of this paper is to examine the opportunities and challenges of implementing integrated multichannel strategies in Lebanese hotels . The study aims to investigate how multichannel marketing may increase consumer reach and satisfaction, as well as to suggest techniques for designing and managing integrated multichannel services in the Lebanese hospitality industry. Based on the research goal, the following question and hypothesis is proposed:

How can multichannel marketing promote customer reach and satisfaction, and how should hotels design and manage integrated multichannel services to achieve these objectives?

Hypothesis:

H1: Multichannel marketing positively influences customer reach and satisfaction in Lebanese hotels.

H2: Effective design and management of integrated multichannel services positively impact customer satisfaction in the Lebanese hospitality industry.

## **Literature Review**

### **Integrated Marketing Strategy:**

#### **Defining Multichannel services**

To define multichannel services, an understanding of marketing channels is necessary. The term "marketing channel" refers to "a business structure, reaching from the point of product origin to

the consumer, through which a manufacturer or marketer motivates, communicates, sells, ships, stores, delivers, and services the customer's expectations and the products' needs" (McCalley 1996, pp. 4–5). The concept encompasses several facets of marketing, such as communications, distribution, and sales. According to Rosenbloom (2012, p. 9), channels are "the external contractual organisation that management operates to achieve its distribution objectives". This concept only addresses the distribution component of marketing channels. Previous study defines marketing channels as "sets of interdependent organisations involved in the process of making a product or service available for use or consumption" (Stern et al. 1989, p. 57), demonstrating that both services and products are delivered through marketing channels. Kotler and Armstrong (2010) include services in their definition of channels, arguing that marketing channels encompass all of the company's activities that aid in the delivery of products and services to its target market. According to the definitions, marketing channels provide two primary functions: distribution and communication of products and services. Marketing channels are commonly seen as mediums of distribution (Coughlan et al. 2006).

### **Multichannel Marketing in the Digital Era**

To meet customer preferences in today's digitalized ecosystem, it's crucial to react to changing social media trends (Christou, 2015). Companies seek effective ways to target their audience on social media to maximize their branding efforts. Creating thorough user personas is crucial for establishing a successful multichannel marketing strategy (Kohli et al., 2015). Identifying a company's traffic sources and switching channels might help active industry participants reclaim lost sales. Companies face challenges in optimizing multichannel marketing due to increased difficulty in tracking the consumer journey. Customers in the tourist industry want tailored social media advertising experiences, making personalization a key driver of this trend. Consumers seek engagement with brands beyond just purchasing products or services (Majid et al., 2013). This procedure requires a more targeted and planned approach than ever before. Effective personalization needs updating ads to match consumer digital evolution.

COVID-19 has led to increased use of digital services, raising expectations for individualized experiences (de Oliveira Santini et al., 2020). Several aspects, including customer innovativeness, internet experience, and channel experience, play a significant role in improving customer experience management and elevating it to new heights (Mahrous & Hassan, 2016). Innovations in the HTT sector, such as mobile apps and virtual reality, improve user-friendliness and consumer experience, counteracting brand building (Labanauskaite et al., 2020).

### **Multichannel Integration**

Multichannel integration is defined as the coordination of numerous modes of engagement, including the retail channel, media, fulfillment mode, website, and physical stores. Its purpose is to

maximize the benefits of each channel, prevent cannibalization, foster synergy, and ultimately improve firm performance (Neslin et al., 2006). Multichannel integration can be characterized as the ability of online and traditional channels to interact and collaborate in various marketing operations (Goersch, 2002; Yan, Wang, & Zhou, 2010). Furthermore, there is a requirement for a strategy that includes judgments about how many channels to use, what kind of interactions to have with each channel, and what each channel's purpose is for customers (Mirzabeiki & Saghiri, 2020; Neslin et al., 2006; Seck & Philippe, 2013).

Considering the prospects for multichannel integration, a thorough analysis of the channel integration literature reveals that the success of a channel integration approach varies according to industry factors (Gao et al., 2020). Furthermore, channel integration can boost consumer retention, buy intent, shopping value, loyalty and satisfaction (Hossain et al., 2019). As a result, multiple studies imply that multichannel integration quality, including service element consistency, channel integration, and attributes, is emerging as a means of offering a seamless service experience (Hossain et al., 2019).

A hotel's channels are said to be integrated when they share two common traits. First, the hotel uses a variety of complementary channels to supply products/services to clients, which can be offline (e.g., physical storefronts, third-party resellers) or online (e.g., websites, mobile applications) (Zhang et al., 2010). Second, there is synchronous coordination across channels for the implementation of marketing activities (such as product development, pricing, and communication) to enhance the advantage of each channel to maximize both the customer experience and firm performance (Neslin et al., 2006).

Integrated multichannel services are described as services that are followed and provided by several channels based on the activity of a single channel (D. Veit & M. Trenz, 2015). For example, these services may be begun by an online purchase and then combined with other offline services such as in-store pickups or returns. Furthermore, integrated multichannel services should provide standard and uniform services across all channels, as well as after-sales support for one another (J. Zhang et al., 2010; L.N. Oh et al., 2012).

Recent research has revealed that the dimensions of integrated multichannel services should encompass the full shopping experience (E. Bendoly et al., 2005; K. Jiang et al., 2015; L.N. Oh et al., 2012), including integrated promotion, product and price, transaction information, information access, and order fulfillment. Integrated promotion means that consumers should be able to find promotional activity from one channel in another. These techniques not only assist consumers in better understanding other channels, but also increase their awareness of the relationships between channels (D.L. Bahn & P.P. Fischer, 2003; J. Zhang et al., 2010). Integrated product and price information means that it is consistent across all channels. As a result, consumers may be able to enjoy the same preference in every channel, reducing confusion and developing consistent evaluations (E.M. Daniel

& H.N. Wilson, 2003; L.N. Oh et al., 2012) . Integrated transaction information allows hotels and their partners to track and retain all purchase data across several channels using the same account. This ensures that each consumer is viewed as the same customer across all channels, allowing them to easily manage their purchase history (L.N. Oh et al., 2012; M. Zhang et al., 2018).

### **Research Methodology:**

The study will use a mixed-methods approach, integrating qualitative and quantitative research techniques, to investigate the implementation of integrated multichannel services in the hospitality industry. Data will be collected using an exploratory research methodology in multiple Lebanon hotels using interviews and observation. Surveys will collect quantitative data from hotel consumers, assessing their experiences with multichannel marketing and satisfaction levels in three of Lebanon's four hotels. In-depth interviews with hotel managers and employees will yield qualitative information about the design and management of multichannel services. Furthermore, seeing multichannel marketing activities and customer interactions will improve understanding of the implementation process. Purposive sampling will be used to pick hotels that have implemented multichannel marketing techniques.

In this study conducted in Lebanon in 2023, in-depth, semi-structured interviews were used to acquire qualitative data. This method is excellent for examining the thoughts and perspectives of important subjects through open-ended interviews (Smith, 2008). Semi-structured interviews enable the interviewer to develop crucial questions while being adaptable to the respondent's background (Fontana & Frey, 2005).

To ensure multidimensionality and depth of information, and sampling procedures were used (Strauss & Corbin, 1998). The study concentrated on two important stakeholders in the value-generation network: hotel management, travel agencies, and tourists. Eight business owners/managers or persons active in channel integration operations at Lebanon's three- to four-star hotels and 5 stars hotels were selected.

### **Findings Analysis**

Table 1: Summary of Respondents in the Data Collection

	Hotels	Travel Agencies
Male	75%	85.71%
Female	25%	14.2%
Level of Experience	7.14	3.71
4 Stars	57.14%	-
5 Stars	42.86	-

Table two: Hotels

Number	Gender and Age	Position	Level of Experience	Type of hotel
1	Female /32	Hotel Manager	8	4 Stars
2	Male / 35	Director of Sales	10	5 Stars
3	Female /40	Hotel manger	6	4 Stars
4	Male /45	Sales Manager	4	5 Stars
5	Male/35	Marketing and Sales MANAGER	6	4 Stars
6	Male / 44	Hotel Manager	6	3 Stars
7	Male/ 50	Head of Marketing and Sales	12	4 Stars

Table Three: Travel Agencies

Number	Gender and Age	Position	Level of Experience
1	Male	Sales Manager	4
2	Male	Sales Manager	5
3	Male	Sales Executive	2
4	Female	Sales Manager	4
5	Female	Executive Manager	6
6	Male	Sales Manager	4
7	Male	Sales Executive	1

Based on the study's findings, it is clear that multichannel marketing plays an important role in increasing customer reach and happiness in Lebanon's hotels.

**Multichannel Strategy From the hotel management' viewpoint:** According to research findings, all hotels (8/8) use at least two channels to reach customers, including direct channels (booking via phone, official website, Facebook page, or directly at the hotel), indirect channels (via ticket agents, online travel agents such as booking.com, Agoda, TripAdvisor, etc.), and travel agencies. The reason for adopting several channels is that they are innovative and effective ways to promote and reach clients. *"The hotel uses channels including TripAdvisor, Expedia, Booking.com, Agoda, aivivu, Traveloka, and Mytour. There are more consumers reserving through those channels than those booking directly with the hotel" (Informant #1.2). "We all participate in channels related to customers with travel intentions such as travel agencies, online room sales agents, or sell rooms directly via hotline and Facebook, website" (Informant #1.4, p. 1).*

**Selecting channels** However, based on these comments, it is clear that the extent to which each of these channels is used varies with the hotels' strategic aims. Some businesses prioritize direct channels, while others focus on the corporate market rather than the consumer sector. For hotels, managers maintain consumers by offering pricing modifications and direct booking at the hotel to receive better discounts. *OTA channels (Booking.com, Expedia, Traveloka) as well as social networks (Facebook) can be used to disseminate information and receive comments. An official website was built to showcase the hotel's information and establish and maintain consumer trust" (Informant #1.4).*

Consequently, Over half of hotel managers and room sales intermediaries emphasize the importance of tracking client feedback across several platforms. Whether it is a positive or negative review, once it is public, hotels must demonstrate that they always care about their customers and will address any issues and improve their services accordingly. Indeed, customer complaints are the most pressing issue that the hotel must address and resolve. This shows customer concern and listening; hotel management may also maintain track of everyday operation at the lower levels, thereby making suitable adjustments to improve service quality, and promote customer happiness and loyalty.

Integrated promotion plans, including sales promotions, discounts, and price, are always well-received by both visitors and hoteliers since they have a direct impact on customer advantages and profits. Hotel managers and room sales intermediaries understand the importance of consistent advertising and pricing across channels (Informant 1.7). However, rates and promotion policies vary between agents and hotels (Informant 2.1).

Prices for mobile applications may be lower, and there are more discounts and prizes at agents than in apps. Meanwhile, prices on hotel official websites are posted and are frequently greater than pricing in other outlets. *"All interactive channels use the same promotional package. However, separate OTA channels might conduct their own promotional activities to attract more clients and cover the costs of running these programs. The hotel's revenue remains the same. (Informant #1.4 and #1.8). "Promotion and after-sales services between direct and indirect channels should be uniform, so hotels will have less trouble with complaints related to discrepancies" (Informant Number 1.3). "Because internet sites are always managed by robots, it is simple to search for incorrect information or pricing disparities. When there is discrepancy, the hotel will receive complaints, drop in ranks, and be added to the blacklist (Informant #1.6).*

## **Conclusion**

Channel integration in the hotel sector is an important research issue in light of Technology 4.0 and quickly changing consumer habits. This article discusses the channels in which hotels can participate, as well as the importance of regular monitoring on these channels in order to maintain a

seamless client experience. Service integration is highlighted in multi-channel marketing. The findings show that, while hotel managers now recognize the importance of channel integration, there are three outstanding issues from the perspectives of customers, hotel managers, and room sales intermediaries: inconsistencies in promotion and pricing across channels; inconsistencies in information and access to information; and the need for integrated customer services.

Furthermore, the growing importance of channel integration in hotel enterprises should be highlighted in the digital transformation era. The study's contributions include the following. First, this study demonstrates how hotels have altered and reacted to changing customer behaviors in the context of Technology 4.0 by utilizing at least two channels to contact target customers. Thus, the selection, monitoring, and supervision of these channels have all been carefully handled. As a result, hotels have tried to combine channels for information access, promotion, pricing, and customer support. Second, the extent of synchronization between channels remains limited. In the context of extended Covid-19, limited financial resources, and restricting consumer spending, it is unavoidable to assess the cost of each trip.

With the conclusions extracted from the exploratory research, certain practical implications can serve as a reference base for hotel enterprises and state management agencies in Lebanon and the central region. First, hotels should understand the significance of employing and integrating several channels to boost customer contact, attract more consumers, and create a seamless customer experience. However, depending on each company's aims and goals, the selection and implementation of multiple channels should be appropriate and adaptable, as each channel will target different market segments under different regulations.

Second, developing features of hotel channel integration include information and access to information, promotion and price, and unified customer service. For intangible items such as hotel accommodation services, the integration and synchronization of information, including rates, promotions, and hotel services, is critical for clients to readily perceive and decide whether to book or stay at the hotel.

Third, state management agencies must comprehend and improve the seamless customer experience, particularly in the Technology 4.0 era with the introduction of numerous intermediary channels and the growing use of mobile applications and smartphones. These seamless experiences should be established as soon as guests visit official tourism websites.

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