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Navigating the digital marketing wave: Strategies and approaches for Cyprus's boutique hotels

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Abstract: In the modern hospitality industry, particularly within the scenic context of Cyprus, digital marketing strategies have become indispensable for achieving competitive success. Cyprus, renowned for its rich cultural heritage and breathtaking landscapes, offers boutique hotels a distinct opportunity to differentiate themselves in a crowded market. As consumers increasingly turn to digital platforms for information and bookings, the effective utilization of digital marketing by these establishments is crucial. The industry's growing reliance on technology to attract new clients necessitates a strategic approach that not only engages potential customers but also establishes a robust digital brand presence. This study employs a mixed-methods approach, integrating qualitative interviews [$n = 12$] with hotel managers and digital marketing professionals alongside quantitative surveys [$n = 158$] to hotel guests. The aim is to examine the implementation of digital marketing strategies within Cyprus's boutique hotel sector and evaluate their impact on critical business outcomes, including customer engagement, brand visibility, and overall performance. The research reveals significant regional variations in the adoption and effectiveness of digital marketing strategies among boutique hotels in Cyprus. In tourist hotspots, advanced digital strategies have successfully enhanced brand visibility and increased direct bookings, particularly among younger, tech-savvy customers. Conversely, hotels catering to business customers face challenges in achieving similar digital engagement, often relying on traditional online travel agencies. The study highlights the importance of integrating digital marketing with national branding initiatives and addressing challenges such as regional geopolitical tensions and varying levels of digital literacy. To fully capitalize on digital marketing opportunities, Cypriot boutique hotels should invest in digital training to amplify their reach and increase bookings. An integrated approach that combines social media, and search engine optimization is recommended to maximize online presence, sustainability, and profitability. This comprehensive strategy will enable boutique hotels to navigate the complexities of the digital landscape effectively and achieve growth.

Keywords: digital marketing; hospitality industry; customer engagement; brand visibility; digital literacy; sustainable growth

1. Introduction

In the modern hospitality industry, particularly within the scenic landscape of Cyprus, digital marketing strategies have become indispensable for achieving success. Cyprus, renowned for its rich cultural heritage and breath-taking scenery, offers boutique hotels a unique opportunity to distinguish themselves in a competitive market. As customers increasingly turn to digital platforms for information and bookings, the ability of these establishments to effectively harness digital marketing is crucial. The industry progressively relies on technology to attract

new clients, necessitating a strategic approach to digital marketing that engages potential customers and establishes a robust digital brand presence [1].

Boutique hotels, known for their intimate settings and distinctive designs, are well-positioned to capitalise on the advantages of digital marketing. Social media platforms play a pivotal role in boosting brand awareness and customer loyalty within the hospitality sector [2]. Additionally, web analytics and big data provide boutique hotels with deeper insights into consumer behaviour, preferences, and trends, allowing for more targeted and effective marketing strategies [3]. The successful implementation of multichannel digital marketing strategies, bolstered by big data analytics, can significantly enhance user engagement and brand visibility. This is particularly pertinent for boutique hotels, which often rely on unique offerings and personalised services to attract discerning customers [4].

In the rapidly evolving digital marketing domain within the boutique hotel industry in Cyprus, a significant research gap exists concerning the integration and effectiveness of emerging technologies and platforms. While existing literature has explored traditional digital strategies, internationally, there is limited understanding of how they are used to enhance customer engagement and brand visibility in Cyprus. Additionally, the impact of regional nuances and geopolitical factors on the adaptability and success of these digital strategies remains underexplored, particularly within the context of Cyprus, where cultural and historical attributes play a crucial role in tourism appeal. Addressing these research gaps will provide valuable insights for boutique hotels seeking to refine their digital approaches in an increasingly digital-first world.

1.1. Research aims and objectives

Leaning on the above, this study aims to examine the implementation of digital marketing strategies within Cyprus's boutique hotel sector and evaluate their impact on critical business outcomes, including customer engagement, brand visibility, and overall performance. To achieve the above aim, three objectives underpinning the problem are set:

- To theoretically evaluate the effectiveness of traditional and emerging digital marketing strategies in enhancing brand visibility and customer engagement.
- To empirically investigate and decode Cyprus's boutique hotels sector's digital marketing practices and strategies.
- To empirically identify the impact of digital marketing on customer engagement, brand visibility, and overall performance.

1.2. Significance of the study

Researching the digital marketing strategies of boutique hotels in Cyprus is pivotal due to the significant role of tourism in the island's economy. Cyprus depends heavily on tourism for its economic stability and growth, and boutique hotels, with their unique offerings, and characteristics, are central to attracting diverse visitor demographics. Understanding how these hotels can effectively adopt digital marketing practices and strategies is not only key to increasing their customer engagement, brand visibility and overall performance, thus occupancy and revenue,

but also essential for sustaining and enhancing the island's tourism sector. The competitive landscape demands that boutique hotels differentiate themselves from larger chains and alternative lodging options. Digital marketing provides a platform to showcase distinct features such as local architecture, cultural heritage, and personalized service, thereby capturing niche markets keen on cultural and authentic travel experiences. Moreover, the rapid evolution of digital platforms and technologies presents both opportunities and challenges for boutique hotels. Exploring how emerging technologies can be integrated into marketing strategies offers substantial insight into improving customer engagement, and brand visibility. Research in this area equips boutique hotels with strategies to adapt to current consumer trends, ensuring they remain relevant in a digital-first world. Addressing variations in digital literacy among potential guests also allows for more inclusive marketing strategies, ensuring all demographic segments are effectively reached, thus maximizing the impact of marketing efforts.

2. Literature review

2.1. Overview of digital marketing in the hospitality industry

Digital marketing has revolutionised the hospitality and tourism industry by transforming how businesses engage with customers and promote services. As consumers increasingly turn to online platforms for travel planning and booking, a robust digital marketing presence is essential for hotels, restaurants, and tourism operators. Key components include Search Engine Optimization (SEO) to enhance online visibility and drive organic traffic [5], and social media marketing to engage customers and build brand loyalty through platforms like Facebook and Instagram [6]. These platforms facilitate real-time interaction and allow businesses to showcase unique offerings, creating emotional connections with potential guests [7]. User-generated content, such as reviews and photos, enhances a brand's online presence and influences customer decisions.

Content marketing, through blog posts and videos, positions businesses as industry experts, providing valuable information to potential customers and improving search engine rankings [8]. For boutique hotels, this can highlight unique experiences and local attractions. Email marketing remains effective for maintaining customer relationships and driving repeat business through targeted campaigns [1]. Online advertising, including social media ads, helps reach broader audiences and target specific demographics, refining efforts through data analytics for better conversion rates. Managing online reviews is critical, as positive reviews enhance credibility and attract guests, while negative ones can deter them [9].

2.2. Digital marketing strategies and performance

In the digital landscape, marketing strategies are vital for promoting hotels and engaging potential customers. A successful approach requires a comprehensive plan, active monitoring and response to guest reviews, and strategic use of social media to enhance visibility [10]. Online reviews are crucial, with studies showing that positive reviews correlate with higher room occupancy and revenue per available room. This impact is significant for boutique hotels, where customer experiences

and word-of-mouth recommendations are key to attracting new guests. Positive reviews can effectively showcase the personalised service and unique ambience of boutique hotels, boosting their market appeal [9].

The effectiveness of digital marketing strategies varies by hotel type. Chain hotels benefit from established brand recognition, which can mitigate the impact of online reviews [4]. In contrast, boutique hotels may need to invest more heavily in digital marketing to build their brand and reputation. Integrating third-party review sites into hotel websites enhances visibility and credibility. Showcasing positive reviews from platforms like TripAdvisor can leverage social proof to attract guests. Understanding the mechanisms driving digital marketing effects is crucial. Monitoring customer feedback and analysing review data provide insights into guest preferences, informing marketing strategies and operational improvements [11].

Social media has transformed tourism marketing, particularly in the hospitality industry. Platforms like Facebook, Instagram, and YouTube have changed how consumers engage with travel content and make decisions [12]. Electronic word-of-mouth (eWOM) significantly influences consumer behaviour by facilitating the online exchange of opinions about products and services [13,14]. Platforms like TripAdvisor and Yelp allow users to share travel experiences, impacting the reputation of tourism destinations and hospitality businesses. Influencer marketing uses the trust influencers have with their followers, enhancing the credibility of endorsed brands and products. Instagram, with its focus on high-quality imagery and storytelling, allows influencers to create immersive content that resonates with audiences [15].

Social media fosters brand loyalty by enabling personal engagement and consistent communication of brand values. Boutique hotels can use platforms like Instagram to showcase unique experiences, strengthen relationships with guests and enhance loyalty [10]. Social media also serve as a powerful medium for destination branding, allowing destinations to craft compelling narratives that resonate with target audiences [16]. Facebook's advertising tools enable targeted messaging to specific demographics, increasing brand visibility and loyalty. Campaigns like #MyDubai illustrate social media's impact on brand loyalty and destination branding [17]. Collaborations between tourism boards and influencers effectively promote lesser-known destinations through compelling content [18]. Boutique hotels can benefit from engaging micro-influencers, who often have higher engagement rates due to their relatability [11].

2.3. Big data and analytics in the hospitality industry

The integration of digital technologies, big data, and analytics has transformed operational processes and enhanced customer engagement in the hospitality sector. Big data encompasses vast amounts of structured and unstructured data from sources like customer interactions, social media, online bookings, and operational processes [4]. The rise of smart devices and the Internet of Things (IoT) has further increased data production, offering hospitality businesses insights into customer preferences and behaviours [19]. For boutique hotels, which emphasize personalised service and unique experiences, leveraging big data provides a competitive advantage by enabling tailored marketing strategies. Analytics involves examining data to uncover meaningful patterns and insights, using techniques such as descriptive, predictive,

and prescriptive analytics to inform decision-making [20]. Big data and analytics can significantly impact customer experience by analysing feedback, online reviews, and social media interactions. Sentiment analysis, for example, helps assess customer opinions, enabling hotels to address concerns proactively and improve service offerings [21]. Additionally, big data analytics can inform dynamic pricing strategies, optimising room rates based on demand, competitor pricing, and customer behaviour. Moreover, big data can shape marketing strategies by allowing hotels to create targeted campaigns for specific audience segments [22]. This personalisation increases marketing effectiveness and fosters deeper connections with guests. Analysing data from digital channels also enhances online advertising campaigns, enabling efficient resource allocation based on return on investment.

2.4. Consumer behaviour in the digital age

The digital age has significantly altered consumer behaviour in the hospitality industry, with digital platforms reshaping brand interactions and purchasing decisions [23]. Consumers now rely heavily on online platforms for information and decision-making, with traditional processes influenced by digital technologies [24]. Social media platforms are crucial for sharing experiences, researching destinations, and showcasing unique offerings. eWOM significantly shapes consumer behaviour, with user-generated content on platforms like TripAdvisor playing a critical role in how potential guests perceive accommodations [25].

The immediacy of eWOM means even a single negative review can have far-reaching consequences, emphasising the importance of consistently delivering high-quality service [15]. Integrating big data and analytics into marketing strategies is increasingly important. Big data provides insights into consumer preferences, allowing hotels to tailor marketing efforts precisely. By analysing website traffic and social media interactions, boutique hotels can identify trends and preferences, enhance marketing effectiveness and personalise guest experiences [20]. Storytelling has become a vital digital marketing component, connecting emotionally with consumers. In boutique hotels, storytelling crafts narratives that resonate with guests, highlighting unique aspects and experiences [26].

Digital interactions play a crucial role in shaping both the pre-purchase and post-purchase stages of consumer behaviour. Before making a booking, consumers typically engage in extensive online research, comparing various options and reading reviews to minimise perceived risks and ensure they make informed decisions [27]. During the post-purchase stage, consumers frequently share their experiences online, whether through reviews, social media posts, or travel blogs, thereby influencing the decisions of future customers and contributing to the hotel's online reputation and credibility [28].

2.5. Cyprus's boutique hotel industry

The boutique hotel industry in Cyprus is a vibrant and evolving sector within the island's broader hospitality landscape. Known for its rich cultural heritage, stunning landscapes, and Mediterranean charm, Cyprus offers a unique setting for boutique hotels to thrive. These establishments, characterised by their intimate size,

personalised service, and distinctive design, cater to customers seeking unique and memorable experiences. As the global tourism industry becomes increasingly competitive, boutique hotels in Cyprus are utilising their unique offerings to differentiate themselves from larger, more standardised hotel chains [29].

One of the defining features of Cyprus's boutique hotel industry is its emphasis on providing personalised and authentic experiences. Unlike larger hotels, they often focus on creating a sense of place that reflects the local culture and environment [30]. This is achieved through thoughtful design, locally inspired cuisine, and curated experiences that allow guests to engage with the island's history and traditions. Many boutique hotels in Cyprus are housed in restored historical buildings, offering guests a glimpse into the island's architectural heritage while providing modern comforts and amenities [31]. Digital marketing plays a crucial role in the success of boutique hotels in Cyprus. With the rise of online travel platforms and social media, they increasingly adopt digital channel strategies to reach potential guests and build brand awareness. Effective digital marketing strategies include SEO, social media engagement, and content marketing that highlights the unique aspects of the hotel experience. Using these tools, boutique hotels can attract a global audience and compete with larger hotels. Moreover, the use of eWOM through guest reviews on platforms like TripAdvisor and Google is vital for building credibility and attracting new customers [32].

The regional diversity within Cyprus also influences the boutique hotel industry. In tourist-heavy areas such as Limassol, Paphos, Ayia Napa, and Protaras, boutique hotels often adopt sophisticated digital marketing strategies to cater to international customers. These regions are known for their vibrant nightlife, luxury accommodations, and proximity to popular attractions, making them ideal for customers seeking a lively and upscale experience [29]. In contrast, regions like Nicosia and Larnaka, which attract business customers and families, focus on promoting cultural and historical experiences, as well as family-friendly amenities.

Despite the opportunities, the boutique hotel industry in Cyprus faces several challenges. The Covid-19 pandemic significantly impacted tourism, leading to decreased visitor numbers and financial strain on many establishments [33]. A significant obstacle is the lack of digital literacy among hotel managers. Many have not fully embraced digital communication, leading to missed opportunities for enhancing brand visibility and attracting a wider customer base. This reluctance to invest in digital tools and training exacerbates the issue, leaving many hotels dependent on traditional marketing methods, which are less effective in the current digital landscape [34]. Boutique hotels, which often cater to high-spending, niche tourists, must navigate these challenges by employing advanced digital marketing strategies to attract and retain guests.

The Cyprus Hotel Association has highlighted the need for government support, particularly in upgrading hotel infrastructure to meet EU environmental standards and addressing labour shortages exacerbated by the pandemic and geopolitical tensions. The tourism ministry is also working to secure EU support and advocate for policies that better align with the needs of island economies. These efforts reflect the sector's pressure to adapt and thrive in a rapidly changing environment [35]. Looking ahead, the future of Cyprus's boutique hotel industry

appears promising. As customers continue to seek unique and personalised experiences, boutique hotels are well-positioned to capitalize on this trend. By embracing innovation and maintaining a strong focus on customer service and authenticity, these establishments can continue to thrive in a competitive market. Furthermore, aligning digital marketing efforts with broader national tourism campaigns can help boutique hotels in Cyprus reach new audiences and achieve sustainable growth. Through strategic planning and adaptation, the boutique hotel industry in Cyprus can continue to offer exceptional experiences that celebrate the island's rich cultural heritage and natural beauty.

3. Materials and methods

The research design of this study employs a mixed-methods approach, integrating both qualitative and quantitative methodologies to offer a comprehensive understanding of digital marketing strategies within Cyprus's boutique hotel sector. This approach is particularly well-suited for exploratory research, aiming to identify patterns, generate hypotheses, and provide a nuanced understanding of how digital marketing affects customer engagement, brand visibility, and booking behaviour. By combining qualitative interviews with hotel managers and digital marketing professionals with quantitative surveys distributed to hotel guests, the research design facilitates a holistic examination of the phenomena under study, ensuring both depth and breadth in data collection and analysis [36]. The study utilises purposive sampling for the qualitative component and simple random sampling for the quantitative component, allowing for targeted insights and generalisable findings.

3.1. Data collection

The geographic diversity of cities (Limassol, Paphos, Nicosia, Larnaca, and Famagusta [Protaras and Ayia Napa]) ensured a varied sample, capturing differences in market dynamics and customer behaviour across Cyprus (**Figure 1**).



Figure 1. The geographic diversity of the cities studied.

To establish a representative sample for the study, a systematic selection process was followed, utilizing official resources and random sampling techniques. It began by consulting the official Hotel Guide issued by the Cyprus Tourism

Organization, which provided a comprehensive and current list of hotels and other tourist establishments for 2024. This list served as a reliable foundation for the selection process. From this extensive list, 12 small boutique hotels were randomly selected, each with fewer than 50 rooms, to ensure diverse representation across key Cypriot cities. The sample comprises 2 hotels from each city.

Purposive sampling was employed to select interview participants who held key positions within boutique hotels and were directly involved in digital marketing activities. This approach ensured that the insights gathered were pertinent and reflective of current industry practices and challenges [37]. In contrast, simple random sampling was used for distributing surveys to hotel guests, ensuring a representative sample of the broader customer base and allowing the findings to be generalized to the entire population of boutique hotel guests in Cyprus.

The sample size for this study was meticulously determined to provide a comprehensive understanding of digital marketing practices within Cyprus's boutique hotel sector. A total of 12 qualitative interviews were conducted with key stakeholders, including Digital Marketing Managers, Social Media Strategists, and hotel owners. This sample size was chosen to offer deep, contextual insights into the strategic and operational aspects of digital marketing from industry professionals across various regions of Cyprus. Interviews were conducted at locations chosen by participants, ensuring their comfort and discretion during the data collection process, which took place between June and July 2024.

The selection of interview participants focused on key roles within the boutique hotel sector, emphasising positions directly related to digital marketing, such as Digital Marketing Managers, Social Media Strategists, and E-commerce Specialists. These roles are crucial for understanding the implementation and impact of digital marketing strategies within the industry, making them essential for this exploratory study. Positions like digital content creators and SEO Specialists were also included to provide insights into the operational and creative aspects of digital marketing, which are vital for engaging customers and enhancing brand visibility in the competitive hospitality market. Including hotel owners and general managers offered a broader perspective on how digital marketing strategies align with overall business goals and management practices.

In parallel, 158 survey responses were collected via Google Forms from guests who had recently stayed in the selected boutique hotels. This sample size was selected to provide a robust quantitative foundation, allowing for thematic coding and analysis of consumer behaviour trends and the effectiveness of digital marketing strategies. The insights gained from analysing survey data offer empirical evidence that can support or challenge the effectiveness of current digital marketing strategies. Moreover, quantitative data allows for the generalisation of findings to a broader population, enhancing the study's relevance and applicability to the wider hospitality industry. The demographic categories and survey methodology used in this study are designed to capture a detailed and comprehensive picture of consumer interactions with digital marketing in the boutique hotel sector.

To ensure the reliability of the questionnaire, a rigorous validation process was employed. Initially, a pilot test was conducted with a sample of 2 individuals, which facilitated refinement based on their preliminary feedback. The questionnaire

incorporated a Likert Scale to effectively capture respondents' attitudes and perceptions towards digital marketing strategies in the boutique hotel sector. This application provides a nuanced understanding of participant responses, ensuring that diverse viewpoints are accurately represented and allowing for a detailed analysis of the collected data. Furthermore, the questionnaire items were developed and reviewed in consultation with field experts to ensure content validity and alignment with existing validated scales from prior research, thus increasing comparability and accuracy. These efforts collectively support the reliability of the measurement tool, ensuring that the data collected genuinely reflect the variables of interest. The consistency of results across different respondent groups further demonstrates the robustness of the questionnaire, providing strong confidence in the reliability of the findings derived from it.

3.2. Data analysis

This study's data analysis integrated qualitative and quantitative methods to provide a comprehensive understanding of digital marketing strategies in Cyprus's boutique hotel sector. For the qualitative interviews, thematic analysis was employed, where transcripts were systematically coded and categorised to identify recurring themes and patterns. This approach facilitated an in-depth exploration of the challenges and opportunities from the perspective of industry professionals. In parallel, the quantitative survey data was analysed through an ethnographic lens.

Rather than relying solely on statistical summaries, the survey responses were examined with a focus on understanding the cultural and social contexts that shape customer behaviours and attitudes. This ethnographic interpretation drew on cultural anthropology principles, emphasising context's importance in understanding human behaviour. By adopting this perspective, the study aims to uncover how cultural norms, regional differences, and social factors influence customer engagement with digital marketing practices.

The coding of survey responses mirrored the qualitative data analysis, following an exploratory pattern. This method enabled the identification of patterns and relationships within the quantitative data that might not have been immediately apparent through traditional statistical methods. In this exploratory manner, the study was able to extract nuanced insights into customer behaviour, linking these findings to the broader cultural and social contexts of Cyprus. This approach provided a richer, more nuanced understanding of the data, effectively bridging the gap between quantitative and qualitative methods. It allowed the study to offer a comprehensive analysis that not only quantified the impact of digital marketing strategies but also contextualised these findings within the lived experiences of customers and industry professionals.

4. Results and discussion

The data are derived from 12 semi-structured interviews and a survey conducted with 158 participants, providing valuable insights into consumer behaviour concerning the digital marketing strategies employed by boutique hotels in Cyprus. This comprehensive dataset allows for an in-depth analysis of how these

strategies influence consumer decisions, preferences, and perceptions, offering a nuanced understanding of their effectiveness in the competitive hospitality industry.

The study categorises interview participants to reflect pivotal roles within the examined sector, focusing on positions directly linked to digital marketing. These roles are vital for understanding the operational and creative facets of digital marketing, the implementation of these strategies, and providing insights on customer engagement and brand visibility. The geographic diversity across the island captures the market dynamics and customer behaviour variations. The participants' years of experience and hotel size categories add context regarding expertise levels and strategy implementation scales, contributing to a nuanced understanding of the challenges and opportunities boutique hotels face (**Table 1**).

Table 1. Demographic table for semi-structured interviews.

ID	Position	City	Years of Experience	Hotel size (No. of rooms)	Gender
P1	Digital Marketing Manager	Limassol	7 years	20 rooms	Female
P2	Owner	Nicosia	10 years	15 rooms	Male
P3	Social Media Strategist	Ayia Napa	5 years	18 rooms	Male
P4	General Manager	Larnaka	26 years	22 rooms	Female
P5	Digital Content Creator	Protaras	7 years	25 rooms	Female
P6	Senior Manager	Paphos	12 years	35 rooms	Male
P7	Digital Marketing Manager	Limassol	4 years	28 rooms	Female
P8	General Manager	Nicosia	20 years	50 rooms	Male
P9	Digital Marketing Manager	Ayia Napa	6 years	40 rooms	Female
P10	Marketing Manager	Larnaka	9 years	22 rooms	Male
P11	Social Media Coordinator	Protaras	11 years	28 rooms	Female
P12	General Manager	Paphos	25 years	12 rooms	Male

Moreover, the demographic profile of participants (**Table 2**) ensures a comprehensive representation across various age and gender groups.

Table 2. Demographic profile of survey participants.

Age group	Male	Female	No. of participants	Male [%]	Female [%]
18–24	16	12	28	10.13%	7.59%
25–34	24	28	52	15.19%	17.72%
35–44	16	24	40	10.13%	15.19%
45–54	10	12	22	6.33%	7.59%
> 55	6	10	16	3.80%	6.33%
Total	72	86	158	45.57%	54.43%

This inclusivity is crucial for several reasons. Firstly, it allows the study to capture a wide range of perspectives and experiences, which is vital for understanding the nuances of consumer behaviour and preferences in the boutique hotel sector. By including participants from different age brackets, the study can assess how digital marketing strategies impact various generational cohorts, each

with distinct digital engagement patterns and expectations. Similarly, gender diversity among participants provides insights into potential differences in how marketing strategies are perceived and their effectiveness across different demographic segments. This broad representation enhances the study’s ability to generalise its findings, making them more applicable to the wider population.

The geographical diversity of the participants (**Figure 2**) spanning various regions, is pivotal for assessing the international reach and effectiveness of the digital marketing campaigns executed by these boutique hotels.

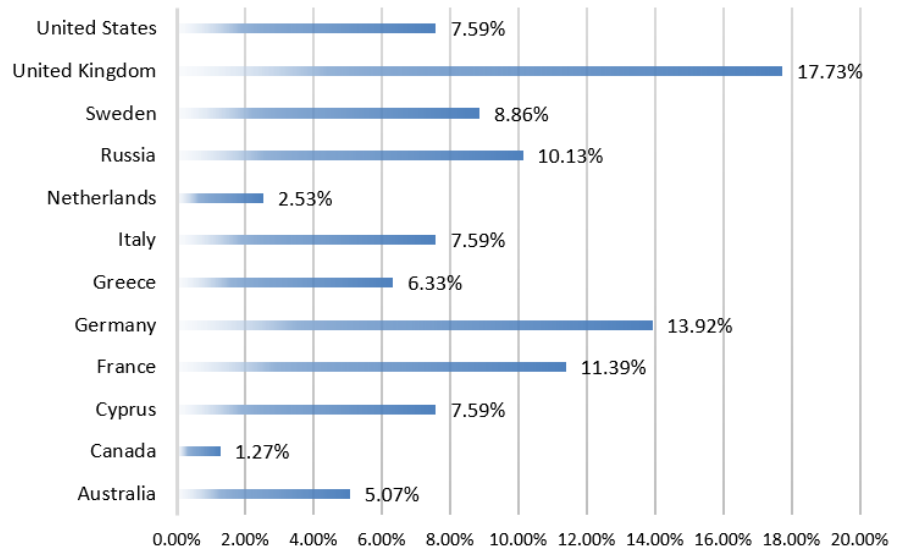


Figure 2. Country of origin of participants.

Integrating participants from diverse geographic areas enables the study to evaluate how digital marketing strategies resonate with and attract a global audience. This approach provides a comprehensive understanding of how regional differences in consumer behaviour and preferences influence the success of marketing efforts. Also, it identifies potential areas for improvement and adaptation in digital marketing strategies, enhancing their appeal and effectiveness across international markets. The frequency of online hotel searches (**Table 3**) provides detailed insights into how often various age groups engage in this behaviour.

Table 3. Frequency of online hotel searching by age group.

Age group	Frequent searching	Occasional searching	Rare searching
18–24	[20 customers] 71.43%	[6 customers] 21.43%	[2 customers] 7.14%
25–34	[32 customers] 61.54%	[14 customers] 61.54%	[6 customers] 11.54%
35–44	[20 customers] 50.00%	[14 customers] 35.00%	[6 customers] 15.00%
45–54	[8 customers] 36.36%	[8 customers] 36.36%	[6 customers] 27.27%
> 55	[4 customers] 25.00%	[4 customers] 25.00%	[8 customers] 50.00%

The search patterns across different demographics highlight the digital touchpoints that significantly influence consumer decisions. Understanding these touchpoints is crucial for identifying the stages in the consumer journey where

digital marketing efforts can be most effective. Younger groups use mobile apps and social media platforms for hotel searches, while older demographics rely more on traditional search engines or travel websites. This evidence allows boutique hotels to tailor their digital marketing strategies to target specific age groups more effectively, optimizing their online presence to meet the preferences and habits of their audience. Additionally, it sheds light on the potential for personalised marketing approaches, such as targeted advertisements and content, to engage consumers.

The digital platforms preferred by different age groups (Figure 3) provide valuable insights into where boutique hotels should concentrate their marketing efforts to maximise impact.

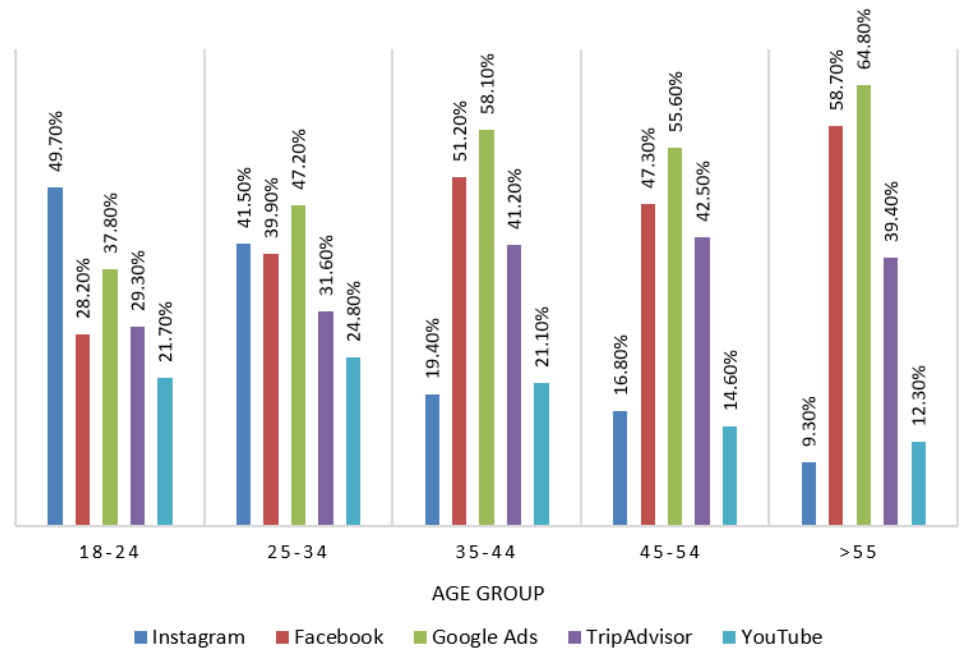


Figure 3. Preferred digital platforms by age group.

Note: More than one option was allowed.

Exploring the preferences of different age demographics, the research pinpoints the platforms most effective for engaging specific target audiences. Younger age groups use Instagram for their visual and interactive content, while older demographics engage more with Google and Facebook. Understanding these preferences allows boutique hotels to tailor their digital marketing strategies to align with the habits and expectations of their target customers. This targeted approach not only enhances engagement but also increases the likelihood of converting interactions into bookings. Furthermore, by focusing on the platforms where their desired audience is most active, boutique hotels can allocate their marketing resources more efficiently, ensuring a higher return on investment.

The booking methods employed by customers across different income levels illustrate a nuanced balance between direct bookings and those made through Online Travel Agencies (OTAs). This balance is influenced by several factors, including customer preferences, perceived value, and the specific advantages offered by each booking channel. For higher-income customers, direct bookings are often preferred

due to the personalised service, exclusive packages, and loyalty benefits that hotels typically offer through their websites (**Figure 4**).

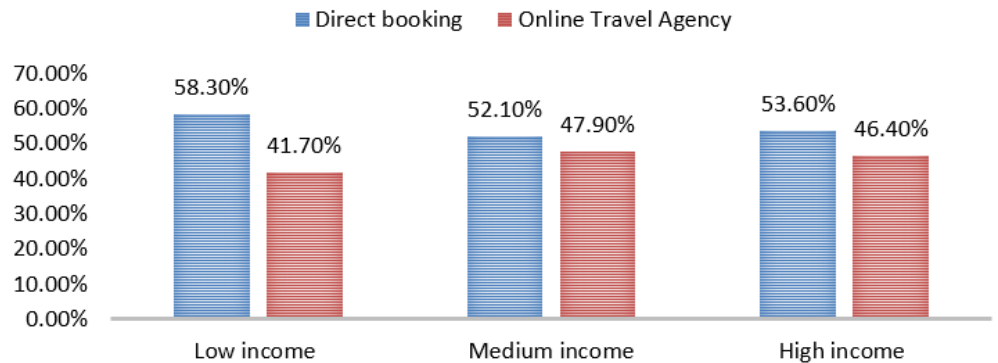


Figure 4. Booking method by income level.

These customers may value the direct relationship with the hotel, which can lead to enhanced customer service and tailored experiences. Additionally, direct bookings often provide opportunities for hotels to offer unique incentives, such as room upgrades or complimentary services, which appeal to this demographic. Conversely, consumers with lower income levels may gravitate towards OTAs, which offer the convenience of comparing prices and amenities across multiple hotels in one platform. OTAs often provide competitive pricing and special deals that are attractive to budget-conscious customers. The ability to read reviews and ratings from other guests also adds a layer of trust and assurance for these consumers, making OTAs a popular choice. This balance between direct bookings and OTA bookings highlights the strategic considerations that boutique hotels must navigate to effectively reach and engage different income segments. Understanding these consumer behaviours, allows hotels to tailor their marketing strategies to optimise both channels.

The data on the frequency of stays in boutique hotels over the past three years, segmented by income level (**Figure 5**), provide critical insights into customer loyalty and the effectiveness of digital marketing strategies in fostering repeat business.

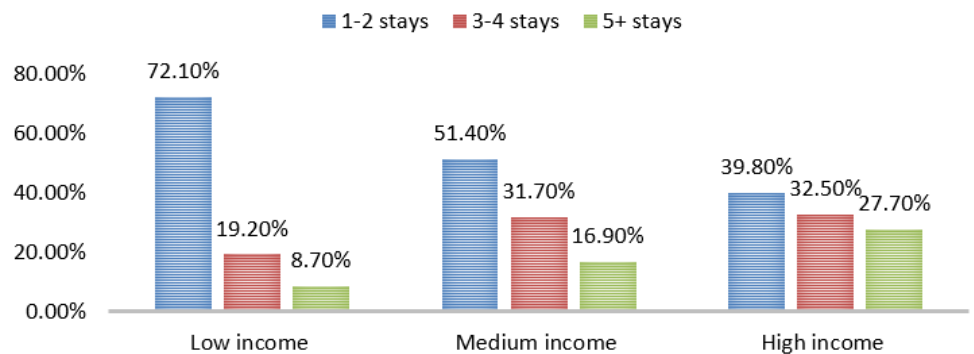


Figure 5. Number of stays in boutique hotels in the past three years, by income level.

Examining how often different income groups return to boutique hotels allows the study to identify patterns of loyalty and engagement, which are essential for tailoring marketing efforts. For higher-income individuals, frequent stays may

indicate a strong brand affinity and satisfaction with the personalised services and unique experiences offered by boutique hotels. This group might be more responsive to targeted digital marketing campaigns that emphasize exclusivity, luxury, and bespoke experiences. Understanding their preferences allows hotels to refine their marketing messages and loyalty programs to further enhance retention. Conversely, for lower-income groups, the frequency of stays might be influenced by factors such as promotional offers, discounts, and the perceived value of the experience. Digital marketing strategies that highlight affordability, value-added services, and special deals could be more effective in encouraging repeat visits from this segment. This data is invaluable for boutique hotels aiming to optimize their digital marketing strategies. When aligning marketing efforts with the preferences and behaviours of different income groups, hotels can enhance customer loyalty and drive repeat business. Furthermore, the insights gained from this analysis can inform the development of personalised marketing campaigns, loyalty programs, and customer engagement initiatives that resonate with each income segment, ultimately contributing to sustained business growth and competitive advantage in the industry.

4.1. Regional distinctions in digital marketing approaches

The variations in digital marketing strategies across regions in Cyprus can largely be attributed to the distinct tourism profiles of each area. Limassol and Paphos, characterized by high levels of international tourism and well-developed hospitality infrastructures, have rapidly embraced advanced digital marketing techniques. These regions cater to a diverse international clientele that values personalised experiences and unique accommodations, aligning well with the boutique hotel model. As a result, hotels in these areas are more inclined to invest in sophisticated marketing strategies to enhance their appeal to this market segment. In contrast, Nicosia, as the capital city, attracts a different type of tourists, primarily business customers or those interested in the cultural and historical aspects of Cyprus. Digital marketing strategies in this region tend to be more informational and utilitarian, emphasizing comprehensive details about the hotel's amenities, proximity to key landmarks, and business-friendly services. Meanwhile, Larnaka, known for its beautiful coastline but experiencing less intense tourism compared to Paphos and Limassol, adopts a more conservative approach to digital marketing. This region relies heavily on traditional methods, reflecting its focus on maintaining visibility through established channels.

4.2. Current digital marketing practices

The digital marketing landscape for boutique hotels in Cyprus showcases a diverse and regionally tailored approach to engaging potential guests, enhancing brand visibility, and driving bookings. In Limassol and Paphos, where tourism is more developed and competitive, boutique hotels are more inclined to implement advanced digital marketing techniques. These include the extensive use of social media platforms such as Instagram and Facebook, where visually driven content allows hotels to highlight their unique aesthetics and personalised experiences. Interviewees from these regions emphasized the importance of engaging with

potential customers through regular updates, promotional campaigns, and user-generated content. This approach has proven effective in building a robust online presence and cultivating a loyal community of followers. Conversely, boutique hotels in Nicosia and Larnaka, where tourism is less intense and more niche, tend to rely on more basic digital marketing methods. These hotels primarily focus on maintaining an informative website and ensuring the visibility of popular OTAs like Booking.com and TripAdvisor. Interviews revealed that while there is an acknowledgement of the importance of social media, investment in these platforms is often constrained by budget limitations and a perceived lower return on investment compared to more direct forms of online advertising. This disparity underscores the necessity for customized digital marketing strategies that align with regional market dynamics and resource availability, ensuring that each hotel effectively reaches its target audience.

4.2.1. Advanced practices in Ayia Napa, Protaras, Limassol, and Paphos

Boutique hotels in the tourism-centric areas of Ayia Napa, Protaras, Limassol, and Paphos are at the forefront of implementing advanced digital marketing strategies. These hotels utilise social platforms such as Instagram, and TikTok to craft engaging content that narrates their unique stories. The stories frequently highlight distinctive elements of the hotel experience, such as luxurious accommodations, immersion in local culture, vibrant nightlife, and personalized guest services, creating a compelling narrative that attracts discerning customers. Participant #P9 indicated:

[...] *Our social media strategy is all about creating an immersive experience online. By showcasing our hotel through guest stories, live events, and behind-the-scenes content, we build a connection with potential guests long before they arrive. [...]*

The effectiveness of these strategies is clear, as 70% of survey respondents from these regions reported that social media influenced their booking decisions. Additionally, these hotels have experienced a 40% increase in social media engagement time, which has contributed to a 30% rise in direct bookings (Figure 6).

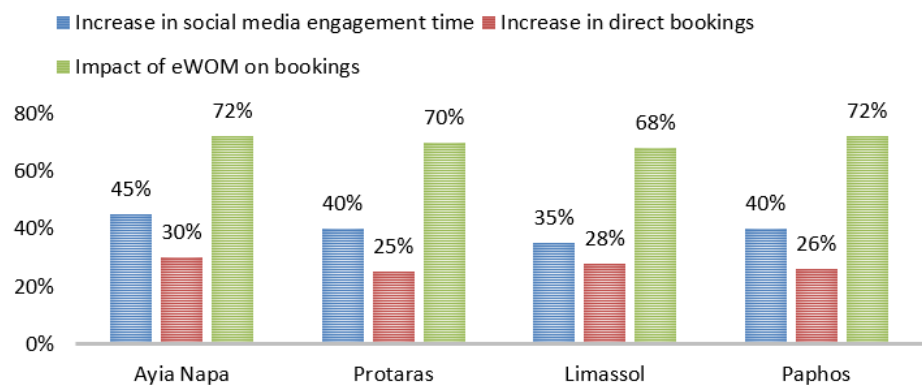


Figure 6. Impact of advanced digital marketing practices.

SEO and advertising are pivotal elements of digital marketing strategies in these regions. Hotels invest significantly in optimizing their websites for search engines, emphasizing high-quality content that targets specific keywords related to luxury,

beachfront, and cultural experiences in Cyprus. A boutique hotel in Protaras reported a 35% increase in organic search traffic following a targeted SEO campaign, which also led to a 25% rise in direct bookings. The influence of eWOM is extensively harnessed in these regions. Hotels actively encourage satisfied guests to leave reviews on platforms like TripAdvisor and Google [38].

Survey data indicates that 72% of guests in these areas were swayed by online reviews, with hotels reporting a 25% increase in positive reviews year over year. A hotel manager in Paphos stated that their proactive management of online reviews, including responding to 95% of reviews within 24 hours, has directly contributed to a 28% increase in repeat bookings.

4.2.2. Advanced practices in Nicosia

Nicosia, renowned for its cultural and historical significance, employs a distinct digital marketing strategy compared to the more tourist-centric regions. The focus in Nicosia is on highlighting the city's rich history, urban architecture, and cultural landmarks. Hotels in this area utilise their digital platforms to promote experiences focused on the city's museums, and historical sites. Participant #P8 confirmed:

[...] Our focus is on promoting the cultural richness of Nicosia. We highlight our proximity to historical landmarks and offer customers digital tours of nearby museums on our website, which have been very informative and popular. [...]

These strategies have effectively resonated with customers seeking a more cultured experience. Survey data reveal that 55% of guests in Nicosia were influenced by content highlighting the city's history and architecture when making their booking decisions (**Figure 7**).

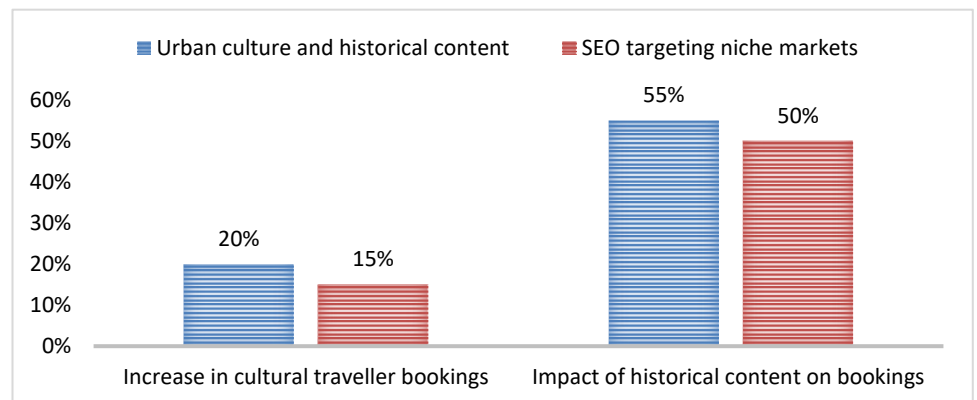


Figure 7. Digital marketing practices and impact in Nicosia.

While SEO efforts in Nicosia are relatively straightforward, they are strategically targeted to maximize effectiveness. By employing specific keywords such as “boutique hotel near Nicosia landmarks” and “cultural stay in Nicosia”, hotels aim to attract niche markets interested in the city's rich cultural and historical offerings. One hotel in Nicosia reported a notable 15% increase in traffic from culturally inclined customers after launching a content marketing campaign focused on the city's historical and conflict-related heritage, demonstrating the potential of targeted SEO strategies to drive engagement and bookings.

4.2.3. Advanced practices in Larnaka

Larnaka, positioned as a family-friendly and cost-effective alternative to other Cypriot destinations, employs a digital marketing strategy that highlights value and convenience. Hotels in Larnaka use digital marketing to present themselves as a more authentic and less crowded option compared to the bustling tourist hotspots. The emphasis is on family-friendly amenities, proximity to the airport, and the city's relaxed atmosphere. Participant #P4 mentioned:

[...] We market Larnaka as the perfect family getaway, affordable for everyone, close to the airport, and offering a more genuine experience. Our content reflects this by showcasing family activities and events, and peaceful beach settings. [...]

This strategy has proven effective, with 53% of survey respondents identifying the city's affordability and family-friendly appeal as primary factors influencing their booking decisions (**Figure 8**).

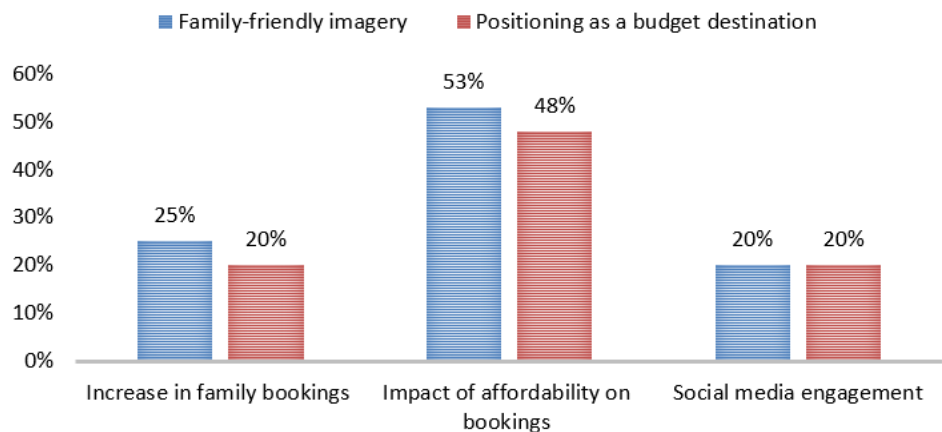


Figure 8. Digital marketing practices and impact in Larnaka.

While Larnaka hotels continue to depend on OTAs for visibility, there is a growing use of basic social media marketing to attract budget-conscious customers. However, engagement levels remain lower than in more tourist-heavy regions, with only 20% of guests interacting with hotels on social media before their stay.

4.3. Impact and performance of digital marketing strategies

The impact of digital marketing on the performance of boutique hotels in Cyprus is demonstrated through both qualitative and quantitative data. Survey results reveal that a substantial portion of guests (52.8%) discovered these hotels via digital platforms, with Google searches and social media being particularly influential. This highlights the effectiveness of SEO and advertising strategies, which have been widely implemented by hotels in Limassol and Paphos. These hotels reported higher occupancy rates and increased direct bookings, attributing these successes to the visibility and engagement generated through their digital marketing activities and social media engagement.

In contrast, the impact of digital marketing in Nicosia and Larnaka, where strategies are less advanced, is more varied. While hotels in these areas benefit from increased visibility on OTAs, they often struggle to convert this visibility into direct

bookings. Survey participants frequently mentioned encountering these hotels through third-party platforms rather than direct searches or social media engagement. This reliance on OTAs can hinder boutique hotels' ability to build direct relationships with customers, potentially affecting long-term loyalty.

Interestingly, interviews revealed that the Covid-19 pandemic has accelerated the adoption of digital marketing across all regions. Even in less digitally active areas like Nicosia, hotel managers have begun to recognize the importance of a strong online presence for maintaining visibility and engaging with customers during periods of reduced travel. Participant #P2 declared:

[...] *We consider the Covid-19 outbreak a valuable lesson. It allowed us to upgrade our online presence in the industry and become fit for the new digital age.* [...]

Many hotels have started investing in website improvements, enhancing their social media presence, and experimenting with new digital advertising forms, such as influencer partnerships and targeted email campaigns. This shift underscores the growing recognition of digital marketing as a critical tool for sustaining business in a rapidly changing environment.

4.4. Challenges and opportunities across all regions

This section explores the challenges and opportunities faced by boutique hotels across all regions in Cyprus, highlighting the diverse strategies needed to enhance digital engagement and improve market competitiveness (Table 4).

Table 4. Summary of digital challenges and opportunities in all regions.

Region	Primary Challenge	Key Opportunity
Ayia Napa	Maintaining high engagement rates year-round	Expanding influencer collaborations during off-peak seasons
Protaras	Managing high OTA commissions	Increasing direct bookings through an improved mobile experience
Limassol	High competition among luxury hotels	Enhancing personalised marketing through AI and data analytics
Paphos	Overreliance on seasonal traffic	Diversifying content marketing to attract year-round visitors
Nicosia	Conservative digital strategies	Leveraging cultural and historical narratives for niche marketing
Larnaka	Limited social media presence and engagement	Expanding family-oriented and budget-conscious campaigns

In Ayia Napa, Protaras, Limassol, and Paphos, advanced digital marketing practices have significantly enhanced social media engagement, brand visibility, and direct bookings. By effectively utilising storytelling, SEO, and eWOM, hotels in these regions have established a robust online presence, resulting in increased customer engagement and loyalty.

Conversely, Nicosia and Larnaka encounter challenges due to their distinct digital strategies. While these approaches effectively attract specific segments, such as cultural and family customers, they limit broader engagement and direct bookings. The heavy reliance on OTAs and basic SEO further constrains profit margins. However, opportunities exist to expand dynamic digital content, incorporate cultural storytelling in Nicosia, and enhance family-focused messaging in Larnaka. Improving social media engagement and SEO can help these hotels attract a wider audience and increase direct bookings, ultimately boosting profitability.

The participants revealed various perspectives on digital marketing practices within the boutique hotel industry, highlighting generational differences and regional variations in strategy and implementation (**Table 5**).

Table 5. Participants' overview of digital marketing practices in the industry.

ID	Age group	City	Integrated digital marketing approach	Familiarity with digital marketing	Have a marketing department	Quote
P1	35–44	Limassol	Yes	High	Yes	<i>“We have an in-house team for all our digital marketing, ensuring that our brand is consistent across all platforms.”</i>
P2	45–54	Nicosia	No	Low	Yes	<i>“I am not very hands-on with the digital era, but we have a department that manages our online presence.”</i>
P3	25–34	Ayia Napa	Yes	High	Yes	<i>“Being young, I am very involved with social media and digital marketing strategies.”</i>
P4	> 55	Larnaka	No	Low	No	<i>“I prefer to outsource our digital marketing because it is not really within my skill set.”</i>
P5	35–44	Protaras	Yes	High	Yes	<i>“Digital marketing is crucial for us; we have an in-house team to handle everything.”</i>
P6	45–54	Paphos	Yes	Medium	No	<i>“I understand the basics, but we rely on an external agency for most of our digital activities.”</i>
P7	25–34	Limassol	Yes	High	Yes	<i>“We use a very integrated approach, and I work closely with my digital marketing team.”</i>
P8	> 55	Nicosia	No	Low	Yes	<i>“The digital aspect is something I leave to our marketing department; they handle all the online work.”</i>
P9	25–34	Ayia Napa	Yes	High	Yes	<i>“Social media and digital marketing are a big part of what I do daily.”</i>
P10	45–54	Larnaka	No	Low	No	<i>“We do not have an in-house team, so we outsource all our digital activities.”</i>
P11	35–44	Protaras	Yes	High	Yes	<i>“Having a digital marketing department is a must in today’s market.”</i>
P12	> 55	Paphos	No	Low	No	<i>“Digital marketing is something we want to work on internally, but currently we have external experts.”</i>

The digital marketing practices and approaches among boutique hotels in Cyprus reveal a distinct divide between the advanced strategies utilised in Ayia Napa, Protaras, Limassol, and Paphos, and the more traditional approaches gradually evolving in Nicosia and Larnaka. The success observed in the former regions underscores the efficacy of proactive and dynamic digital marketing strategies in enhancing brand visibility, driving bookings, and fostering customer loyalty. Conversely, the more conservative strategies in Nicosia and Larnaka indicate substantial potential for improvement. By adopting more engaging and targeted digital marketing practices, these regions can better capitalize on Nicosia’s cultural and historical assets and Larnaka’s family-friendly, budget-conscious appeal.

Familiarity with digital marketing is notably higher among younger hotel managers (aged 25–44), with approximately 75% of participants reporting significant

involvement and expertise in digital marketing practices. These managers are typically based in regions with a strong tourism focus, such as Limassol, Ayia Napa, Protaras, and Paphos, where integrated digital marketing strategies are more prevalent. In contrast, older managers (aged 45–54 and > 55) often exhibit lower familiarity with digital marketing, frequently outsourcing these tasks to external agencies or relying on dedicated in-house departments.

This trend is particularly evident in Larnaka, where digital marketing approaches tend to be more conservative. However, in Nicosia, newer boutique hotels are showing increased digital marketing familiarity, especially among younger owners and managers.

4.5. Customer engagement strategies analysis

Customer engagement is a vital component of digital marketing strategies for boutique hotels, especially within Cyprus’s dynamic and competitive tourism landscape. This analysis examines customer engagement practices across various regions, including Limassol, Paphos, Ayia Napa, Protaras, Nicosia, and Larnaka. Insights are derived from semi-structured interviews with hotel managers and digital marketing professionals, alongside quantitative survey data from hotel guests. This comprehensive approach offers a detailed understanding of the implementation, impact, and effectiveness of these strategies, highlighting regional differences and best practices in enhancing customer interaction and loyalty.

4.5.1. Implementation of customer engagement strategies

In the highly tourist-centric regions of Limassol, Paphos, Ayia Napa, and Protaras, boutique hotels lead the way in implementing sophisticated customer engagement strategies, with a strong focus on visual storytelling (**Table 6**).

Table 6. Customer engagement channels and their impact.

Engagement channel	Guests influenced	Primary regions
Instagram and Facebook	48%	Limassol, Paphos, Ayia Napa, Protaras
User-Generated Content	42%	Limassol, Paphos, Ayia Napa, Protaras
Email Marketing	32%	Limassol, Paphos, Ayia Napa, Protaras, Nicosia
Online Reviews (eWOM)	65%	Across all regions

This approach is central to their strategies, as hotels consistently share high-quality images and videos that highlight their unique offerings, such as luxurious accommodations, local cultural experiences, and personalised services. Participant #P3 stated:

[...] We focus on creating an immersive online experience that reflects the vibrant and energetic atmosphere of our hotel. Our social media campaigns are designed to capture the essence of the local nightlife, and beach activities, which resonate well with our young, international audience. [...]

This storytelling approach has proven effective in enhancing customer engagement. Survey data indicates that 48% of guests in Ayia Napa and Protaras cited social media as a significant factor in their booking decisions. The strategic use of hashtags, influencer partnerships, and interactive content, such as live streams and

stories, has enabled these hotels to maintain a vibrant online presence that consistently attracts and retains customers. In the bustling tourist hubs of Limassol, Paphos, Ayia Napa, and Protaras, eWOM has become a pivotal element of customer engagement strategies. Hotels in these areas actively encourage guests to share their experiences on platforms like TripAdvisor, Google Reviews, and social media. By offering incentives such as discounts on future stays or complimentary services, these hotels have successfully cultivated a wealth of positive eWOM, which significantly influences prospective customers. Survey data reveals that 65% of guests in these regions viewed online reviews as a decisive factor in their booking decisions.

These hotels have also excelled in utilizing interactive content and User-Generated Content (UGC) to boost engagement. By prompting guests to share photos and experiences using specific hotel-related hashtags, they generate a continuous stream of authentic content that serves as both a marketing tool and a community-building mechanism. Interviews indicate that hotels frequently engage with this content by resharing posts, commenting on guest photos, and featuring guest stories in official marketing campaigns. This strategy has not only enhanced brand visibility but also fostered strong customer loyalty, with 60% of survey respondents indicating they would recommend the hotel based on their digital interactions.

Email marketing remains a crucial engagement tool across all regions, including the less tourist-heavy areas of Nicosia and Larnaka. However, in Limassol, Paphos, Ayia Napa, and Protaras, this strategy is more advanced, with hotels leveraging customer data to send highly personalised offers. These emails often include tailored content based on previous guest preferences, such as personalised recommendations for upcoming events, seasonal promotions, and special packages. Survey data shows that 32% of guests in these regions booked their stays in response to a personalised email offer, underscoring the effectiveness of this approach.

4.5.2. Performance of customer engagement strategies

The advanced customer engagement strategies implemented are particularly intriguing, significantly boosting direct bookings through innovative use of eWOM, interactive content, and personalised marketing efforts.

In Limassol, Paphos, Ayia Napa, and Protaras there is a notable increase in brand visibility and direct bookings. Focusing on creating engaging and visually appealing content, these hotels have achieved a 25%–28% increase in direct bookings over the past year. This success is largely due to their strong social media presence, effective use of eWOM, and strategic incorporation of UGC into their marketing efforts (**Figure 9**).

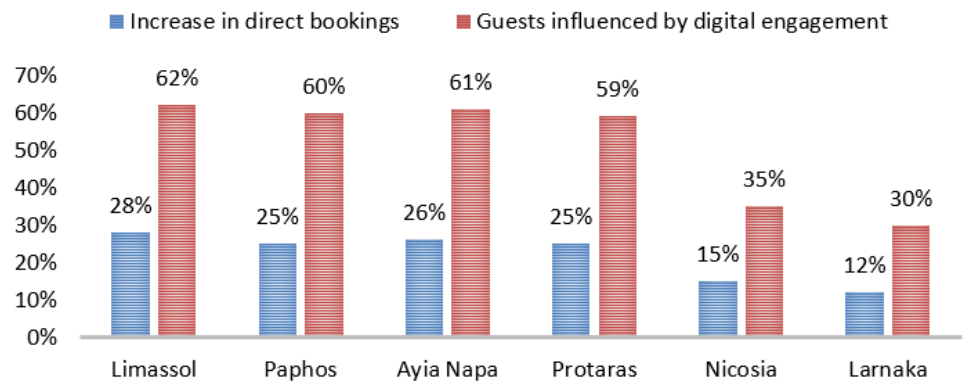


Figure 9. Customer engagement impact on bookings.

In contrast, boutique hotels in Nicosia and Larnaka, where the tourism market is more business-oriented and less international, have adopted more conservative customer engagement strategies. These hotels rely heavily on OTAs and basic email marketing, with limited investment in social media and interactive content. Consequently, customer engagement is lower in these regions, with only 22% of guests in Nicosia and 20% in Larnaka engaging with the hotel online before booking.

Interviews revealed that while there is an awareness of the potential benefits of advanced digital marketing, budget constraints and a lack of expertise pose significant barriers. However, there is an opportunity to enhance customer engagement by gradually integrating more interactive content and social media strategies.

4.6. Impact of digital marketing on brand visibility

The effectiveness of digital marketing strategies in boosting brand visibility is crucial, particularly given the island’s diverse tourism profiles. By utilising a range of digital platforms, boutique hotels have successfully established robust online presences, leading to enhanced brand recognition and increased customer engagement.

4.6.1. Implementation of digital marketing strategies for brand visibility

The implementation of digital marketing strategies in the industry aims to enhance brand visibility, focusing on several techniques (Table 7).

Table 7. Channels contributing to brand visibility.

Region	Primary digital marketing channels	Discovering hotels via digital channels
Ayia Napa	TripAdvisor, Google Ads, TikTok, Instagram, X	62%
Protaras	TripAdvisor, TikTok, Instagram, X	60%
Limassol	TripAdvisor, Google Ads, Facebook, SEO, Instagram	58%
Paphos	TripAdvisor, Instagram, Google Ads, SEO, X	60%
Nicosia	TripAdvisor, OTAs, SEO	35%
Larnaka	TripAdvisor, Facebook, SEO	42%

In the fiercely competitive tourist regions of Ayia Napa, Protaras, Limassol, and Paphos, hotels have implemented comprehensive digital marketing strategies to

strengthen brand visibility. These strategies encompass a robust presence on social media platforms. Participant #P11 stated:

[...] Our focus is on creating engaging content across multiple platforms. TikTok has been particularly successful in reaching younger audiences, while Instagram remains our go-to for high-quality visuals. We've also started using X to engage with discussions around travel and local events, which has helped boost our visibility among more niche audiences. [...]

Survey data underscores the effectiveness of these digital marketing strategies, with 62% of guests in Ayia Napa and Protaras reporting that they first discovered their hotel through social media platforms, particularly TikTok and Instagram. TikTok has emerged as a powerful platform for hotels in Ayia Napa and Protaras, where short, visually engaging videos capture the attention of potential guests. These videos often highlight the vibrant nightlife, beachfront views, and unique experiences offered by the hotels, resonating strongly with younger customers. The use of trending music and hashtags has further contributed to the viral spread of content, significantly enhancing brand visibility. In addition to visual platforms, hotels in these regions have effectively utilized X to engage with potential guests through discussions, promotions, and real-time updates. This platform is particularly useful for reaching a more informed and niche audience, including those interested in cultural events and local happenings. By participating in relevant conversations, hotels have positioned themselves as thought leaders in the hospitality sector, further boosting their brand visibility. Similarly, in Limassol and Paphos, 60% of guests indicated that digital channels, including Google searches and social media, played a crucial role in their hotel discovery process. Moreover, by targeting specific keywords related to luxury and boutique accommodations, as well as experiences unique to Cyprus, these hotels have successfully improved their search engine rankings. Particularly those on Google, Instagram, and TikTok, are strategically deployed during peak tourist seasons to capture the attention of new customers searching for accommodation.

4.6.2. Impact on brand visibility and performance

The advanced digital marketing strategies employed in the examined industry to enhance brand visibility and performance, have a direct effect on the industry's bookings (Table 8).

Table 8. Impact of digital marketing on direct bookings.

Region	Increase in direct bookings	Primary contributing digital channels
Ayia Napa	26%	TripAdvisor, Google Ads, TikTok, Instagram, X
Protaras	25%	TripAdvisor, TikTok, Instagram, X
Limassol	28%	TripAdvisor, Google Ads, Facebook, SEO, Instagram
Paphos	25%	TripAdvisor, Instagram, Google Ads, SEO, X
Nicosia	15%	TripAdvisor, OTAs, SEO
Larnaka	18%	TripAdvisor, Facebook, SEO

The strategies employed in Ayia Napa, Protaras, Limassol, and Paphos have markedly enhanced brand recognition for boutique hotels in these areas. By

strategically leveraging platforms like TikTok and Instagram, these hotels have cultivated a compelling visual identity that resonates with younger and international audiences.

This heightened visibility transcends mere exposure, positioning these hotels as premier choices for unique, high-quality experiences in Cyprus. It effectively distinguishes them in a competitive market by highlighting their exceptional offerings and personalised services. Participant #P7 stated:

[...] Our consistent visual and thematic branding across Instagram, TikTok, and even our Google presence ensures that we stay top-of-mind for customers planning their vacations in Cyprus. [...]

The emphasis on SEO has not only enhanced visibility but also increased direct bookings for boutique hotels. By securing top positions in search results for relevant keywords, these hotels effectively capture potential guests at the critical moment of booking decision-making. Survey data indicates that in Limassol and Paphos, there has been a 25–28% rise in direct bookings attributed to these digital strategies. Conversely, boutique hotels in Nicosia and Larnaka encounter challenges in achieving comparable brand visibility. Nicosia's tourism profile, which is more business and culture-oriented, limits the effectiveness of highly visual platforms. Consequently, these hotels rely more on traditional OTAs and basic SEO strategies. While these methods are somewhat effective, they do not offer the same level of engagement or visibility as more dynamic digital strategies.

In Larnaka, which is rebranding itself as a family-friendly vacation destination, there is potential for growth in digital visibility. The region has experienced some success with Facebook and basic SEO strategies, where family-oriented content and reviews significantly contribute to attracting guests. This suggests an opportunity to further develop digital marketing efforts to enhance engagement and visibility.

4.7. Comparative analysis of findings with existing literature

The findings of this study align with, and in some cases expand upon, existing literature on digital marketing within the hospitality industry, particularly in the boutique hotel sector. Prior research consistently emphasises the critical role of digital marketing in enhancing brand visibility, highlighting that effective use of social media, SEO, and content marketing significantly boosts a hotel's online presence, thereby increasing brand recognition and customer engagement. The current study supports these conclusions, especially in the context of boutique hotels in Ayia Napa, Protaras, Limassol, and Paphos, where advanced digital marketing strategies, including the use of platforms like Instagram, TikTok, and X, have markedly enhanced brand visibility [25]. These findings corroborate existing arguments that visually engaging content on social media platforms is crucial for attracting modern customers who prioritise unique and authentic experiences [6,11].

The importance of SEO in driving direct bookings is well-documented in the literature. Existing studies have shown that effective SEO strategies significantly improve a hotel's online visibility, making it easier for potential guests to discover and book directly through the hotel's website [5]. The current study reinforces these findings, particularly for boutique hotels in Limassol and Paphos, where strategic

investments in SEO have led to a substantial increase in direct bookings. Additionally, the study provides a nuanced understanding of digital marketing's role in less tourist-heavy regions like Nicosia and Larnaka. Unlike previous studies that primarily focus on highly competitive tourism markets [1], this research suggests that while social media and SEO are important, their effectiveness can vary significantly based on regional context, target demographics, and specific tourism profiles. The reliance on OTAs in Nicosia and Larnaka aligns with current findings, which emphasise that smaller hotels often depend on OTAs for visibility due to limited marketing budgets and expertise [18].

5. Conclusion

The findings of this study highlight the pivotal role of digital marketing in shaping brand visibility, customer engagement, and overall performance for boutique hotels in Cyprus. The strategic use of platform-specific content, particularly on social media channels like Instagram, and TikTok, has been instrumental in enhancing brand visibility in highly touristic regions such as Ayia Napa, Protaras, Limassol, and Paphos. These platforms effectively reach younger, global audiences seeking immersive and unique travel experiences, aligning with the study's objective of evaluating the impact of digital marketing strategies on customer engagement and brand visibility. In traditionally more conservative regions like Nicosia and Larnaka, the study identifies significant potential for improvement. The findings suggest that adopting more dynamic digital marketing strategies tailored to the specific demographics of these areas such as business customers in Nicosia and families in Larnaka, could substantially enhance brand visibility and engagement. This aligns with the study's goal of exploring opportunities to optimise digital marketing efforts across different regions. SEO strategies have proven effective in tourist-heavy areas, driving direct bookings and reducing reliance on OTAs. While digital marketing presents significant opportunities for boutique hotels in Cyprus, its effectiveness depends on several factors, including regional dynamics, pricing strategies, and the broader geopolitical context. The success observed in regions like Ayia Napa, Protaras, Limassol, and Paphos underscores the importance of a comprehensive, platform-specific approach to digital marketing. However, for hotels in Nicosia and Larnaka, adapting these strategies to meet the specific needs and challenges of their markets is crucial. By aligning their efforts with national branding campaigns and continuously evolving their digital strategies, boutique hotels in Cyprus can significantly enhance their visibility, customer engagement, and long-term success.

5.1. Practical implications

The findings offer several practical implications for the boutique hotel sector in Cyprus, especially in the context of digital marketing strategies. First and foremost, boutique hotels can significantly enhance their market presence and competitiveness by adopting a robust, multi-platform digital marketing approach. This involves using popular social media platforms to create visually engaging and interactive content that resonates with potential guests, particularly younger demographics who tend to use these platforms for travel inspiration and decision-making. By using targeted

advertising and engaging storytelling, hotels can highlight their unique offerings, such as local cultural experiences and personalized services, to attract more bookings.

Furthermore, search engine optimization and pay-per-click advertising remain critical tools for increasing online visibility. Ensuring that hotel websites are optimized for relevant keywords related to luxury, culture, and unique stay experiences in Cyprus can drive organic traffic and increase direct bookings. Moreover, employing pay-per-click (PPC) campaigns strategically during peak tourist seasons can capture high-intent customers actively searching for accommodations, further boosting occupancy rates.

The study also underscores the importance of eWOM in building a credible online reputation. Boutique hotels should actively encourage satisfied guests to leave reviews on platforms such as TripAdvisor and Google Reviews and share their experiences on social media using hotel-specific hashtags. This approach not only strengthens customer loyalty but also serves as authentic marketing content that prospective guests find trustworthy and relatable.

For regions like Nicosia and Larnaka, where business and family tourism are more prevalent, digital marketing efforts may need to be tailored accordingly. These hotels can focus more on promoting their amenities and proximity to cultural landmarks or family-friendly attractions. Lastly, understanding and adapting to the varying levels of digital literacy among potential customers can help tailor marketing strategies to different audience segments, ensuring inclusivity and maximizing engagement.

5.2. Limitations of the study

While this study offers valuable insights, it is not without limitations. Firstly, the research concentrated on a specific segment of the hospitality industry in Cyprus, which may restrict the generalisability of the findings to other regions or types of accommodations. The study employed a combination of semi-structured interviews and quantitative surveys, which, although providing a comprehensive perspective, may not fully capture the entire spectrum of digital marketing strategies applied in the hospitality industry. Additionally, the rapidly evolving digital landscape means that the relevance of certain platforms or strategies may change swiftly, potentially impacting the applicability of the findings over time. Furthermore, the study did not extensively examine the influence of external factors such as economic conditions, competitive dynamics within the broader Eastern Mediterranean region, geopolitical factors, and national branding efforts, all of which could affect the effectiveness of digital marketing initiatives. Future research could address these limitations by broadening the scope to include a wider range of hospitality segments and incorporating longitudinal studies to monitor changes over time. This approach would provide a more comprehensive understanding of the dynamic interplay between digital marketing strategies and external influences, offering deeper insights into the evolving nature of digital marketing in the hospitality sector.

5.3. Recommendations for future research

The dynamic digital marketing landscape, coupled with the unique challenges faced by boutique hotels in Cyprus, presents several avenues for future research. As the digital landscape evolves, new platforms and technologies emerge that could benefit boutique hotels. Future research should explore the potential of platforms like the metaverse, augmented reality (AR), and virtual reality (VR) to enhance customer engagement and brand visibility. These technologies could be particularly valuable for boutique hotels offering unique, experience-based stays, as they convey the hotel's atmosphere and charm more effectively than traditional digital marketing.

Sustainability is increasingly important in the hospitality industry, both environmentally and for long-term business viability. Future research should examine how boutique hotels can integrate sustainability into their digital marketing strategies. This could involve exploring content marketing's role in promoting eco-friendly practices, such as using locally sourced materials and reducing energy consumption. Additionally, research could assess the effectiveness of digital campaigns highlighting a hotel's sustainability initiatives and their resonance with environmentally conscious customers.

Another area for investigation is the impact of digital literacy and access on digital marketing strategies' effectiveness in the boutique hotel sector. Given the diverse demographics of customers in Cyprus, understanding how differences in digital literacy and technology access influence consumer behaviour are crucial. Future research could explore how hotels can tailor their digital marketing strategies to accommodate these differences, potentially through more accessible website designs, simplified booking processes, or targeted education campaigns to assist less digitally literate customers in navigating online booking systems.

Finally, as the landscape of digital marketing continues to evolve, expanding the scope of research to include comparative analyses between Cyprus's boutique hotel digital marketing strategies and those employed in similar regions offers a promising avenue for future study. This potential research direction would provide broader insights into best practices, enabling a deeper understanding of how geographical, cultural, and economic factors influence the effectiveness of digital marketing efforts across different contexts

Conflict of interest: The author declares no conflict of interest.

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