

Roberta Minazzi

Social Media Marketing in Tourism and Hospitality

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For my father

Foreword

Social Media in Tourism: The ICT—Word-of-Mouth (WOM) Synergy

Business strategies, tactics, and instruments for communicating with customers and other stakeholders have been transformed significantly with the emergence of the phenomenon known as social media, a variety of new sources of online information, mainly based on customers' content contribution, but to a certain extent also firm-driven. In this regard, Mangold and Fauld (2009) underline that social media may be consistent with the use of traditional Integrated Marketing Communications (IMC) tools. They argue that social media could be a hybrid element of the promotion mix that combines some of the characteristics of traditional IMC tools with a highly magnified form of Word-of-Mouth (WOM) communications. In other words, social media, enabling customers to talk to one another, can be considered an extension of the traditional WOM communication.

The role of social media appears to be exalted in businesses where WOM has a greater impact: especially the services industry (high risk and intangible-dominant products). Since some decades ago, literature has already affirmed that WOM is a more important input to the decision process when purchasing services, rather than goods (Murray 1991).

The specific nature of services provided by hospitality and travel firms has been a fertile terrain for the rapid widespread and use of social media by travelers and consequently by tourism operators. However, although many tourism firms have started to develop social media actions, the industry has not yet fully exploited the potential of this emergent data and communication resource (Noone et al. 2011), especially toward the potential of customer engagement.

These and other relevant research topics on social media marketing in tourism and hospitality are addressed in the present book, written by Roberta Minazzi.

The author offers an in-depth study of the impacts social media exert on tourism demand and supply sides. The research is implemented by means of both an

updated literature review and an investigation of current business practices and experiences.

Social media research is an emerging research field that has received increased attention from tourism scholars of various disciplines in order to understand the consequences on tourists' behavior, decision making and corporate communication. The book enriches this stream of research and represents a valuable contribution for a better understanding of social media implications for tourism and hospitality.

Presenting this book is the occasion for discussing two topics that draw the attention of academics and that are relevant for practitioners, in light of social media growth:

- (a) the relationship between Traditional Marketing Communication and WOM;
- (b) the implications for financial valuation of brands (Brand value).

Traditional Marketing Communication Versus Word-of-Mouth

Corporate marketing communication and especially advertising had been comprehensively studied in social sciences for a long time. The traditional approach of communication had generally been seen as mono-directional, mainly considering the firm as the active subject and the consumer, or more in general audiences, the passive receivers. The advent of the Internet has brought about a revolution, highlighting the role of WOM. By means of Web 2.0 and Social media, individuals can make their thoughts, opinions, and personal feelings easily accessible to the global community of Internet users (Dellarocas 2003).

In practice, social media use and importance are grounded on the synergy between WOM and Information and Communication Technology (ICT). Furthermore, some scholars argue that electronic WOM (eWOM) represents a form of communication that provides a mechanism to shift power from companies to consumers (Hennig-Thurau et al. 2004).

The analysis of publications databases (see Fig. 1) points out that academics' interest on the topic of WOM has been substantially modest till 2005. Instead, only in the last decade scientific contributions and referrals on the subject have dramatically increased.

My interest in WOM is dated more than 12 years ago. It was in 2002 that, on occasion of an Italian Conference dealing with Corporate Communication, I prepared a paper (titled *The Quality of Firm's Output as Factual Communication: The Role of WOM*, published in the academic journal *Sinergie*, Mauri 2002) that aimed to point out and highlight the crucial role of WOM in driving customers' behavior and in the formation of brand equity. I stressed the key role of the link product quality—customer satisfaction—WOM—brand equity/value. More generally, it can be also said that firms communicate with all their structures, actions, outputs, and network of relations (Baccarani and Golinelli 1992). These remarks, at that time, faced a mainstream, that was still focused on the central and active role of

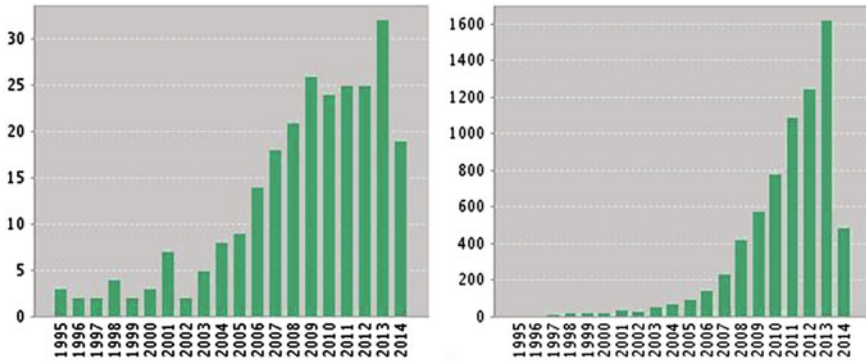


Fig. 1 Scientific articles containing “word-of-mouth” in the title, and relative citations. *Source* Report generated with Web of Science, June 2014. Articles belonging to the Social Sciences Domain and written in English

corporations and on their huge investments in advertising addressed to a (more or less) receptive audience. Even if the role of WOM was understood as an existing and significant phenomenon, it was often underestimated, both by academics and by practitioners, especially by advertisers and media professionals. A strong and consolidated alliance between firms’ managers and advertisers was devoted to support and foster communications budgets, prominently advertising expenses on traditional media. At that age, for instance, even the work of advertising agencies was almost completely remunerated in proportion to the budget (commission-based compensation) and not in relation to the activities conducted or to the effectiveness of the communicative actions implemented.

However, even today, it is still open the discussion of the relationship between traditional advertising and WOM (offline and online). Also, some intense discussions on social media deal with this subject (i.e., “Is Word-of-Mouth Better Than Advertising?” started by Prof. J. Berger).

According to some opinions, WOM (and particularly eWOM) may be a substitute for advertising. In fact, web users who employ online WOM as a source of information during purchase decision making do not identify advertising as playing a significant role. This result supports the approach that considers the increasing participation in WOM a cause of the effectiveness decrease of television advertisements (Awad et al. 2004). Companies can acquire customers “through costly but fast-acting marketing investments or through slower but cheaper WOM processes” (Villanueva et al. 2008). In particular, WOM referrals have been demonstrated to have a strong impact on new customer acquisition (Trusov et al. 2009).

Some others authors, instead, suggest that WOM and advertising have different effects on demand (Bruce et al. 2012) but, if combined, WOM often complements and extends the effects of advertising (Hogan et al. 2004).

In my opinion WOM will have an even more prominent role in the future, but to a certain extent will be moderated by corporate communication. Finally, I would

like to remark that the production of WOM is widely thought to be an outcome of customer experiences with products, especially services. Among them, hospitality services are a field of intense generation of WOM. Consequently, social media, customer satisfaction, and guests' opinions and reviews may have a crucial impact on purchasing decisions (Mauri and Minazzi 2013).

WOM, Advertising and Brand Valuation

The debate between advertising and WOM can also be connected to the methods used by operators to value firms' intangibles and especially brands, for accounting purposes or in case of acquisition.

In 1991, Itami and Rohel suggested that successful corporate strategies depended significantly on the foundation of invisible assets—resources such as technical know-how, brand name, and customer base (Itami and Rohel 1991). Through the analysis of intangible market-based assets it is possible to achieve a better understanding of business performance, reconciling short- and long-term performance as well as bridging marketing and shareholder value (Christodoulides and De Chernatony 2010).

Brand equity has been a popular topic within marketing research. Studies of some scholars like Aaker, Farquhar, and Keller are well known. Raggio and Leone (2007) distinguish between brand equity and brand value. The first is conceived as an intrapersonal construct that moderates the impact of marketing activities while brand value is defined as the sale or replacement value of a brand.

Keller and Lehmann (2003) underline that “the value of a brand ultimately resides with customers”. They assume that the brand value creation process begins when the firm invests in marketing activities that influence the customer “mindset” with respect to the brand—what consumers know and feel about the brand.” This affects how the brand performs in the marketplace and is ultimately valued by the financial community. Then, the Brand value chain comprehends four value stages: Marketing Program Investment, Customer Mindset, Brand Performance, Shareholder Value.

Coming to the valuation methods commonly used for assessing the value of brands and their classification, Salinas and Ambler (2009) observe that “Classification is complicated by specialist firms seeking to differentiate methodologies (‘proprietary models’) for their own marketing purposes. Much of this differentiation is little more than re-labelling”.

However, in general terms it is possible to recognize three brand valuation approaches (Cravens and Guilding 1999; Guatri and Bini 2005):

- (i) cost-based approaches, grounded on the cost historically incurred by the firm or on the cost estimated to recreate, replace, or reproduce an asset of similar utility;

- (ii) market-based approaches, prices expected to be realized if the brand were sold in an open market;
- (iii) income approaches, based on estimating the expected future, after-tax profit (or net cash flows) attributable to the brand, then discounting it to a present value using an appropriate interest rate.

In the present note we will briefly discuss the first type of approach as it is particularly affected by the changes occurring in the communication and marketing environment.

The cost-based methods determine the value of a brand by considering the costs incurred in creating and developing the brand itself. The costs to be contemplated are the actual historical figures associated with acquiring, building, or maintaining the brand. These methods are supposed to be considered the most conservative and they comply with the standard accounting practice for valuing assets (Seetharaman et al. 2001). Thus, they are often well thought by accountants. However, the reliability of these methods may be only apparent. First, understanding and choosing the costs to be taken into account is widely an arbitrary choice. Furthermore, when the historical (and actual) costs are considered, the problem of the grade of efficiency and effectiveness of advertising and other marketing initiatives carried on by the firm arises. Also, the time horizon used for choosing the costs might be a problem in the case of mature (old) brands. However, it is important to observe and remark that in many cases the value of the brand may be founded only (or mainly) on the performance of the branded products, which drives customer satisfaction and WOM.

Crucial questions emerge even when the road of valuing the reproduction costs of the brand is chosen. Also in this case arbitrary decisions and assumptions must be made: promotional and media mix, budget requested, time duration, sector and market environment (and competitors' conducts), economic cycle dynamic, etc. The advent of social media, that reduces the role of advertising expenses, makes this kind of evaluative decisions even more complicated and risky. In conclusion, we believe that the profound transformation that is characterizing communication matters will significantly affect experts' approaches toward brand valuations, making appraisals more difficult and requesting a sound accounting and marketing knowledge in the valuator's professional profile.

Aurelio G. Mauri

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Preface

The progress of Information and Communication Technologies (ICTs) has been transforming the tourism sector from the points of views of both industry structure and business practices and strategies (Buhalis and O'Connor 2005; Buhalis and Law 2008; Law et al. 2008). In particular, Web 2.0 and its applications (Social media), and a widespread connectivity, have generated a deep change in travelers' habits and expectations (Leung et al. 2013; Xiang et al. 2014). Recent statistics show that the influence of social media on purchase decisions is growing across all regions around the world (Nielsen 2012) with nearly 70 % of customers who hear experiences of other clients before purchasing a product. The modern consumers are more demanding and willing to actively interact with brands. They are looking for personalized services and engaging experiences with other customers and with brands (learn more about products, compliment brands, complaining about a product/brand). Furthermore, social media users are more likely to pay attention to personalized ads in the social media environment, according to their profile information (Nielsen 2012). Therefore, Social media give to marketers the opportunity to engage with consumers, becoming also an important channel for customer care: "Social Media Customer Care" (SMCC).

The transformation of demand habits is supported by the phenomenon of social media proliferation, along with the spread of mobile devices (smartphones, tablets), more and more used to access to social media (PhocusWright 2013).

Considering these trends, and the consequent even more significant power to drive the conversation with the firm that social media give to customers, it is more and more important for firms to synchronize with "social" consumers' expectations (Minazzi 2012). Therefore, travel companies should fully understand the influence social media can have on their strategies in order to develop appropriate approaches through an integrated marketing strategy.

The purpose of the present book is to analyze the on-going developments of social media in the tourism sector underlining the effects on the demand and the supply sides by means of the study of both main theoretical frameworks and practical business experiences. Following this objective the book is divided in three main parts.

The first part offers an overview of recent developments of social media and user-generated content. I propose a classification of social media trying to clarify definitions of different concepts, which often overlap (Chap. 1). Moreover, the evolution of electronic word-of-mouth (eWOM), along with main dimensions of analysis, is examined. Specific attention is paid to eWOM credibility and possible biased information (Chap. 2).

The second part provides the analysis of the impacts social media can have on tourists' behavior for each step of the travel planning process (Chap. 3): before leaving (pre-trip), during the stay (during-trip) and after the return (post-trip). In particular, reasons for sharing, dimensions of co-creation and main mediators of the travel experience are examined. This part continues with the evaluation of the impacts that social media developments, and the consequent changing in tourists' habits, can have on travel suppliers, at once, opportunities and a threats for tourism organizations. This ambivalence generates a perception of unsureness (Lagrosen and Josefsson 2011) that slows the process of adoption of social media (Stankov et al. 2010; Leung et al. 2011). By understanding rules and needs of a different environment, in which "social" travelers act, firms are able to develop appropriate policies, to be integrated with other more traditional marketing strategies (Chap. 4).

The third part of the book explores future possible trends offered by mobile technologies (Chap. 5), and possible methods for social media monitoring by means of main key performance indicators (Chap. 6). Information Technology progress and Social media spread, as well as Mobile Social Media development, contribute to the increasing availability of a large amount of multimedia structured and unstructured content about customers and prospects ("Big data"). The ability to synchronize with various target markets allows travel organizations to create a competitive advantage and increase financial and operational performance. Furthermore, engaging customers and prospects by means of social media might increase customer loyalty, foster electronic word-of-mouth communication, and consequently have important effects on corporate sales and revenues. The discussion of the last part of the book encompasses methods to gather, analyze and interpret Big data in order to measure company's performance on each of the social media and to understand the optimal mix that can support and improve business strategies.

My interest in social media marketing stemmed from the research on tourism marketing started at IULM University (Milan) during my Ph.D. in Marketing and communication directed by Prof. Emanuele Invernizzi, who generously offered me illuminating suggestions. My studies continued at University of Insubria (Como) where a cross fertilization of fields enriched my knowledge. I am particularly grateful to Prof. Giuseppe Colangelo, Vice-Chancellor and Director of the Degree course of Tourism Management, Prof. Maria Paola Viviani Schlein, Dean of the Faculty of Law, as well as to Prof. Laura Castelvetti, Director of the Department of Law, Economics and Cultures, for their support and encouragement.

The book is intended as a helpful reference work for researchers, academics, post-graduate students and practitioners in the tourism and hospitality businesses. It

will hopefully provide a better understanding of recent developments of social media and opportunities for travel organizations.

My acknowledgments go to many people who participated in the drafting of this book. In particular, Aurelio Mauri, Associate Professor at IULM University (Milan), who over the years supported and stimulated me in my research and offered me precious insights and advices during the development of this work.

I would like to acknowledge the contribution of co-authors of my previous articles on the topic (Stefan Lagrosen, Stefania Romenti, Grazia Murtarelli). In particular, the proceedings of the ENTER conference organized by the International Federation for Information Technology and Travel & Tourism (IFITT) have been a mine of information about ongoing studies, trends and applications of ICTs to travel and tourism.

Anonymous reviewers were extremely helpful in the first stage of my drafting offering valuable suggestions for the development of the present research. Maria Acocella, Assistant Editor of Springer, was particularly understanding in following the whole book processing.

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Como, Italy, July 2014

Roberta Minazzi

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Chapter 1

Information and Communication Technologies (ICTs) in Tourism: Concepts and Developments

Abstract Advancements of Information and Communication Technologies (ICTs) have generated deep changes in the tourism sector affecting customers as well as suppliers. Travelers are more demanding and look for differentiated and personalized services. ICTs, and especially Web 2.0, offer new opportunities and resources to improve tourism organizations and destinations, competitiveness, and profitability. The first chapter discusses the evolution from Web 1.0 to Web 3.0 through the analysis of main concepts and definitions about the topic. Moreover, on the basis of literature review, a classification of social media is proposed. The main features of each type of media are examined offering specific examples of applications in the tourism industry. Finally, main trends and streams of research about social media in tourism are discussed.

1.1 ICTs Developments in Tourism

The progress of Information and Communication Technologies (ICTs) from the 1970s has transformed the tourism sector from the point of view of industry structure as well as business strategies and practices (Buhalis and O'Connor 2005; Buhalis and Law 2008; Law et al. 2008). The development of Computer Reservation Systems (CRS) in the 1970s and that of Global Distribution Systems (GDS) in the 1980s changed the structure of tourism distribution as well as the Internet (1990s) that, with the recent developments of Web 2.0, influences also the relationships among customers and between customers and suppliers. More and more people are connected to the Internet for a longer amount of time through multiple forms of digital media: computers, tablets, smartphones, TVs, gaming platforms and emerging devices (Nielsen 2012b; comScore 2013; PhocusWright 2013b).

The development of ICTs affects many different sectors. However, recent research confirms a tight relationship between the service industries, especially tourism, and ICTs. Indeed, travel and leisure represent major business areas of online shopping (Nielsen 2012a) in which customers' decision-making is particularly influenced by social media (Nielsen 2012b).

ICTs offer new opportunities and resources to improve tourism organizations and destinations competitiveness and profitability in the future (Buhalis 1998, 2003; O'Connor 1999; Buhalis and O'Connor 2005). Emerging trends in eTourism are focused on the increasing opportunity for companies to adopt a customer-centric approach as well as on the benefits offered by the creation of a network of partnerships with other tourism organizations related to the services provided (Buhalis and O'Connor 2005).

An analysis of previous trends and opportunities shows that ICT developments, and especially Web 2.0, have generated a deep change in consumer habits and expectations. Travelers are more demanding and look for differentiated and personalized services. Therefore, tourism organizations should collect customer information at each stage of tourism service experience (before, during, and after the trip), thanks also to the user-generated content published online, in order to better understand customer needs, offer personalized services and, more generally, develop customer-centric strategies.

Emerging ICT tools can also help tourism organizations increase profitability. First, the opportunity of developing a direct relationship with customers can increase sales and reduce the amount of commissions to be paid to online travel agencies (OTAs) and other distribution channels. Second, the ability to manage web reputation could give organizations the possibility to enhance their corporate image and increase the effectiveness of revenue management activities in tourism services. This is true especially for all steps of the revenue management process: market segmentation and pricing guidelines, demand forecasting, inventory allocation and price optimization, booking and sales (Mauri 2012).

For what concerns the benefits of creating partnerships, we know that tourism products are heterogeneous by nature. Quality evaluation by customers is the result of an overall judgment related to a mix of services generally offered by different companies (Zeithaml et al. 1985; Grönroos 2000). Therefore, the ability to create a network of various operators, following an approach of cooptation (Brandenburger and Stuart 1996; Brandenburger and Nalebuff 1996), may stimulate cooperation among tourism companies with the aim to achieve and deliver higher value to customers (i.e., the collaboration among hotels or between hotel operators and other tourism service providers in a location).

1.2 From Web 1.0 to Web 3.0: Concepts and Definitions

Any description of the ICT development path must of necessity start from an analysis of the concepts of Web 1.0, Web 2.0 and the possibilities of future improvements currently grouped under the expression Web 3.0.

Web 1.0 refers to the first stage of the World Wide Web (WWW) characterized by a "read-only" and mainly unidirectional medium. It is based on a static and passive approach: companies create websites to publish information (as in a brochure) and users can only read it. The subsequent stage has been Web 2.0: not a

technical update of WWW,¹ but a new way of using that platform and its well-developed and popular tools, shifting the approach from a static and passive mode to an active and dynamic one (Antonioli Corigliano and Baggio 2004). Therefore, the static platform becomes dynamic and allows people to share knowledge and experiences. It is based on interactivity among users who generates a rapid creation and spread of online communities. Some scholars consider Web 2.0 as a “social movement” that leads to the democratization of technology, information and knowledge (Birdsall 2007; Leung et al. 2013). According to this view, Web 2.0 is an environment where several forms of social interactions of everyday life take place among users, generating content. Actually, this position takes for granted the ICT access and technological skills acquisition of users, establishing new forms of social segregation (inclusion and exclusion) in the tourism system (Munar et al. 2013).

The application of Web 2.0 to the tourism business is named Travel 2.0 and represents a change from Travel 1.0, which was essentially based on the shift from offline to online reservations (Wolf 2006).

Analyzing the definitions of Web 2.0, we still find an ongoing discussion in the literature about the topic. The multidimensionality and complexity of the concept, along with a coexistence of marketing, psychological and information technology elements, create some difficulties in formulating a shared definition (Constantinides and Fountain 2008). Moreover, sometimes the terms Web 2.0, social media and user-generated content (UGC) are used as synonyms. The definitions of Web 2.0 listed in Table 1.1 indicate how the distinction between these three concepts is not always clear.

O’Reilly (2005) defines Web 2.0 as “the network as platform, spanning all connected devices; Web 2.0 applications are those that make the most of the intrinsic advantages of that platform: delivering software as a continually-updated service that gets better the more people use it, consuming and remixing data from multiple sources, including individual users, while providing their own data and services in a form that allows remixing by others, creating network effects through an ‘architecture of participation’, and going beyond the page metaphor of Web 1.0 to deliver rich user experiences.” In 2006, Musser and O’Reilly redefined the term Web 2.0 as “a set of economic, social, and technology trends that collectively form the basis for the next generation of the Internet—a more mature, distinctive medium characterized by user participation, openness, and network effects.”

¹ Even if Web 2.0 does not represent a technical update of the WWW, some basic functionalities become very important and necessary for its operational effectiveness. Some of them are (Kaplan and Haenlein 2010): Adobe Flash, a multimedia and software platform used to add animation, interactivity and audio/video on web pages; Rich Site Summary/Really Simple Syndication (RSS), uses Web feeds to provide users frequently updated content (news headline, audio, video, etc.) in a customized way; Asynchronous Java Script (AJAX), a group of technologies and interrelated techniques that provide a method for exchanging data asynchronously between browser and server to avoid full page reloads.

Table 1.1 Some literature Web 2.0 definitions

O'Reilly (2005)	<p>“the network as platform, spanning all connected devices; Web 2.0 applications are those that make the most of the intrinsic advantages of that platform:</p> <ul style="list-style-type: none"> - delivering software as a continually-updated service that gets better the more people use it; - consuming and remixing data from multiple sources; - including individual users, while providing their own data and services in a form that allows remixing by others; - creating network effects through an ‘architecture of participation’; - going beyond the page metaphor of Web 1.0 to deliver rich user experiences”.
Musser and O'Reilly (2006)	<p>“a set of economic, social, and technology trends that collectively form the basis for the next generation of the Internet—a more mature, distinctive medium characterized by user participation, openness, and network effects”</p>
Constantinides and Fountain (2008)	<p>“a collection of open-source, interactive and user-controlled online applications expanding the experiences, knowledge and market power of the users as participants in business and social processes. Web 2.0 applications support the creation of informal users’ networks facilitating the flow of ideas and knowledge by allowing the efficient generation, dissemination, sharing and editing/refining of informational content”</p>
Mangold and Faulds (2009)	<p>“consumer-generated media”</p>
Kim et al. (2010)	<p>“websites that make it possible for people to form online communities and share user generated content”</p>
Kaplan and Haenlein (2010)	<p>“the platform for the evolution of Social Media”</p>

Source author’s elaboration

Constantinides and Fountain (2008) adopt a strategic and marketing perspective, namely considering the application types and the social effects of Web 2.0, and define Web 2.0 (or social media) as “a collection of interactive, open source and user controlled Internet applications enhancing the experiences, collaboration, knowledge and market power of the users as participants in business and social processes. Web 2.0 applications support the creation of informal users’ networks facilitating the flow of ideas, information, knowledge and promote innovation and creativity by allowing the efficient generation, dissemination, sharing and editing of content.”

The previous definitions combine the concepts of Web 2.0 and social media in the same definition. Even if the authors suggest the separated role of the platform and of Internet applications, specific definitions are not clearly identified. Kaplan and Haenlein (2010) as well as Xiang and Gretzel (2010) try to elaborate a different approach that considers the two concepts separately. As a consequence, Web 2.0 is defined as “the platform for the evolution of social media” and social media can be described as “a group of Internet-based applications that build on the ideological

and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content” (Kaplan and Haenlein 2010). To complete the framework, user (consumer)-generated content is instead defined as “a variety of new and emerging sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities and issues” (Blackshaw and Nazzaro 2006). According to the Organization for Economic Co-operation and Development (OECD 2007), user-generated content has three main features: it is publicly available in the Internet, it reflects the consumer’s creativity, and it is created outside professional practice.

Finally, Web 3.0 is the subsequent evolution of Web 2.0. Academics, professionals, and managers hold different opinions about the future evolution of the Web. A first position is focused on the relational and social aspects, looking at the development of semantic web technology and artificial intelligence. Another stream of thought concentrates on information technology features and trusts that Web 3.0 will mean an increase of speed of the Internet and of Web applications as well as graphics improvements (Eftekhari et al. 2011). However, many observers agree that the next step of development will be characterized by data interoperability² (Gasser and Palfrey 2007; Buhalis and Law 2008), three-dimensional experiences and co-creative web.

Despite the development from Web 1.0 to Web 3.0, some studies in the tourism sector point out a slow process of adoption of Web 2.0 by travel operators (Stankov et al. 2010; Leung et al. 2011).

1.3 Social Media Classification

As social media is a complex subject which includes numerous approaches, tools and techniques, it can be useful to try to identify the main categories. Based on the definitions given in the previous section and on recent classifications (Constantinides and Fountain 2008; Mangold and Faulds 2009; Kaplan and Haenlein 2010; Heinonen 2011; Wilson et al. 2012), the following types of social media can be identified:

- *collaborative projects* the user can add, remove, and change text-based content in these websites (i.e., Wikipedia);
- *virtual communities* on these platforms people can share information, content (text, audio, video) (Twitter), and opinions about a specific topic, writing also reviews (Tripadvisor, Virtual Tourist, etc.) or diaries (personal blogs containing travel diaries);

² According to Gasser and Palfrey (2007) “ICT interoperability is what we might describe as the ability to transfer and render useful data and other information across systems (which may include organizations), applications, or components.” Although the more widespread definition focuses in particular on technological aspects, interoperability is a broad concept which can change according to the context in which it is applied.

- *content communities* in these websites users can share media contents like texts, videos, photos, etc., (i.e., BookCrossing, Youtube, Flickr, Pinterest, Instagram, etc.);
- *social network sites (SNSs)* websites which allow people to create profiles with personal information, sharing those contents with friends and colleagues. People involved in such activities communicate by means of e-mails and instant messaging (i.e., Facebook, LinkedIn, etc.);
- *virtual games/social worlds* platforms where users can appear in the form of an avatar and interact with other users as in real life (e.g., online games of Microsoft X-box or Sony Playstation and websites like Second Life).

Kaplan and Haenlein (2010) propose a matrix that visualizes the categories previously identified according to two dimensions on the base of the theories of media research and social processes: social presence/media richness (low, medium, high) and self-presentation/self-disclosure (low and high). The first dimension is a combination of social presence and media richness. Social presence refers to “the acoustic, visual and physical contact between two communicators,” while media richness is “the amount of information that they (media) allow to be transmitted in a given time interval.” The second dimension is a combination of the propensity to develop interactions with other people in order to control their impression (self-presentation) and the “conscious or unconscious revelation of personal information that is consistent with the image one would like to give” (self-disclosure).

Table 1.2 shows a matrix adaptation which underlines what, in our opinion, are some recent developments of social media classification due to improved technologies and advances in social interactions. These changes refer to an increase of social presence/media richness for virtual communities (especially blogs and micro-blogs) and an increase of self-presentation/self-disclosure for content communities.

Table 1.2 Social media classification

Self-presentation/Self-disclosure	high		Social networks (i.e. Facebook) Virtual communities (blogs, micro-blogs)	Virtual social world (i.e. Second Life)
	medium	Virtual communities (commercial review websites) (i.e. TripAdvisor)	Content communities (i.e. Youtube, Pinterest)	
	low	Collaborative projects (i.e. Wikipedia)		Virtual games (i.e. Xbox, Playstation)
		low	medium	high
		Social presence/Media richness		

Source author’s elaboration on the basis of Kaplan and Haenlein (2010). With kind permission from Elsevier

In fact, initially micro-blogs were simpler instruments devised for thoughts sharing using text, but now the social presence/media richness has increased and users can share photos and videos too.³ In the case of content communities, for example, Youtube and Pinterest are becoming more and more social media where people often create and share personal content (video or photo diaries) causing an increase of the self-presentation dimension. Finally, the classification proposes a distinction between commercial review sites and blogs/microblogs for the dimension self-presentation/self-disclosure.

1.3.1 Collaborative Projects

Collaborative projects are based on the Wiki⁴ technology that is closely linked to open source software (i.e., Linux). Wiki websites allow all the users who visit the page to create, remove and modify content even without a subscription (Kaplan and Haenlein 2010). Wikipedia is the most popular example of this approach. It is a free online encyclopedia in which contents are provided voluntarily from all users (Wikipedians), whether peers contributors or experts. Since its foundation in 2001, Wikipedia has acquired a total of 923,879 users and the content is now available in more than 280 different languages.⁵ A similar experience in the travel sector is that of “Wikitravel” whose aim is the creation of a free, up-to-date, and reliable travel guide with the contribution of travelers/users (Wiki-travelers) who can add, remove, and change the information offered in the website.

Over the years, the quality of information (accuracy, completeness, comprehensibility) of Wikipedia has generated serious concerns (Fallis 2008). Some studies state the accuracy of information in Wikipedia in comparison with other authoritative sources (i.e., Encyclopedia Britannica) (Giles 2005; Magnus 2006). Cho et al. (2008) demonstrate that there exists a closer relationship among peers rather than experts in the knowledge refinement process. However, other studies, holding the opposite view, demonstrate that Wikipedia is a less reliable source of information than other reference resources (Gorman 2007; Rector 2008). Nevertheless, Wikipedia, and in general similar websites based on Wiki technology, are more and more employed by Internet users as a source of information and, therefore, should be the object of serious consideration by companies (Kaplan and Haenlein 2010). In particular, a constant action of control of information published about companies, brands, and products is advisable to avoid and opposes the spread of unpleasant information. Moreover, Wiki technologies could be exploited to develop collaborative projects with employees and customers.

³ This topic will be dealt with in-depth in the next sections.

⁴ The word “wiki” comes from the Hawaiian word “quick,” WikiWiki (www.wikipedia.com).

⁵ See www.wikipedia.com consulted October 2013.

1.3.2 *Virtual Communities*

The expansion of social media applications has created various forms of virtual communities. This term is generally used today with a broad meaning including any group of people who communicates online about a common interest and with common purposes. A survey of literature points to an evolution from more general definitions, related mainly to the virtual setting where the relationship takes place, to more specific ones more connected with the emotional meaning of being part of a community. Wang et al. (2002) define the concept of virtual communities as “groups of people who interact with specific purposes, under the governance of certain policies, and with the facilitation of computer mediated communication (CMC).” According to Lee et al. (2003), a virtual community is “a cyberspace supported by computer-based information technology, centered upon communication and interaction of participants to generate member-driven contents, resulting in a relationship being built up.” Blanchard and Markus (2004) lay stress on the sense of community (SOC), which they see as the essential characteristic of virtual communities. SOC in offline studies is based on feelings of membership, feeling of influence, integration and fulfillment of needs, and shared emotional connections.⁶ This implies a difference between virtual communities and other kinds of social media where relationships do not originate from common areas of interest (i.e., Facebook). Therefore, virtual communities can include blogs, micro-blogs, and commercial review sites.

The word “blog” derives from a combination of “web” and “log.” It is generally defined as a website usually managed by one person who provides information for other users, with journal style entries in reverse chronological order (OECD 2007; Kaplan and Haenlein 2010). Blogs have represented the first step in social media development. Due to their flexible nature, blogs can be used to provide general information about a specific topic, often accompanied by authentic personal life experience (i.e., personal diaries) (Pan et al. 2007), and to interact with other bloggers who can add comments and share their experience, hence building a virtual community.

A stream of research studies the blog concept applied to the travel sector in order to identify a classification. Thevenot (2007) classifies blogs in the travel and tourism business in four main categories: individual, collaborative, corporate, and traditional media. Schmallegger and Carson (2008) identify four types of travel blogs: consumer-to-consumer (C2C), business-to-business (B2B), business-to-consumer (B2C), and government-to-consumer (G2C). Sung et al. (2010) classified online brand communities into consumer-generated and marketer-generated. In relation to these categories, it is particularly interesting to examine the differences between individual (C2C) and corporate (B2C and G2C) blogs. Individual blogs (also called personal blogs) are websites where a person publishes personal thoughts about a topic (company, product, brand, destination, etc.) in different

⁶ For further insights on the conceptualization of SOC, see McMillan and Chavis (1986).

forms: text, pictures, video, etc. An example is the blog of Derek Earl Baron (www.wanderingearl.com), a traveler who defines himself as a “permanent nomad” and who posts all his experiences on the blog giving advice and sharing information, pictures, etc. Another example is that reported by Lin and Huang (2006): a Taiwanese engineer came back from the Aegean Sea, created the blog “I left my heart in the Aegean Sea” and put inside 124 photos of his travel experience. It was a great success that, according to the study of Lin and Huang (2006), stimulated in 45 % of blog readers an intense desire to visit the destination.

The blog concept has been adopted by corporate organizations with the name of corporate blogs. They represent the intention and desire of a company or a brand to interact and engage in a conversation with customers and employees (intranet blogs)⁷ sharing knowledge by means of a swift and low-cost medium. Corporate blogs are generally managed by staff members or sponsored bloggers in order to share with customers and prospects information about the brand and the latest news, offering the possibility to interact with the company (Schmallegger and Carson 2008) and stimulating trust (Leung et al. 2013). An example of corporate blogs is Marriott on the move (www.blogs.marriott.com) managed directly by Bill J.W. Marriott (Chairman and CEO of Marriott International). Here people can really engage with the brand because Bill Marriott regularly posts his comments and thoughts also related to his personal life (his relationship with his father, his family life, etc.) and replies to comments of bloggers.

Micro-blogs, such as Twitter or Friendfeed, can be considered half-way between traditional blogs and social networking sites on the continuum of social media classification. In fact, on the basis of the classification of social media described in the previous section (Kaplan and Haenlein 2010), micro-blogs have a relatively high level of social presence and media richness in comparison to traditional blogs (Kaplan and Haenlein 2011). The mechanism is similar to that of blogs but with limits in the content length (very short sentences). In the case of Twitter, the limit of messages is 140 characters. The short posts are distributed by instant messages, mobile phones, email, or the Web.

Commercial review sites (Wilson et al. 2012) are platforms where people can share information and opinions about a specific topic, and write reviews (TripAdvisor, Virtualtourist, etc.). The difference with a corporate blog is generally the consumer-to-consumer orientation and the focus on online ratings of travel destinations and operators. In fact, in commercial review sites, unlike in corporate blogs, the promoter of the blog who shares information interacting with others is neither a traveler, nor a company. On the contrary, the communication flow starts from a user who describes his experience, giving a score to each service according to the rules of the specific website. From the very first interaction, the content is generated by the traveler. For example, on TripAdvisor if a traveler writes a review about a hotel that is not present

⁷ A study of Nacht and Chaney (2007) found that intranet blogs can be very useful for training and, in general, for communication with staff members, especially when they are based in different locations.

on the website, his review automatically creates the page of that operator. After that, other people can interact giving their opinions or asking for recommendations.

1.3.2.1 Micro-Blogging: The Case of Twitter

Twitter was founded in 2006 by Jack Dorsey and has become one of the most popular social media (Nielsen 2012b). The number of active registered Twitter users is more than 500 million with 135,000 new users every day. The number of people following Twitter on mobile applications is increasing and represents today 43 % of users (Statisticbrain 2013). Even though 40 % of accounts are inactive, as they are used by people who do not tweet but watch other people tweet, the micro-blog has become very popular and is second after Facebook especially for mobile applications (Nielsen 2012b). Moreover, along with Facebook and the official company blog, it is the most widely used channel to access social care, that is to comment and ask information about the company's product or service (Nielsen 2012b).

Twitter is different from a social network concerning the relationship among users who requires no reciprocation. In fact, the user (in this case, the follower) can follow others without being necessarily followed by them. The follower receives the messages of followed users (tweet) and, if he decides that the tweet is very interesting and worth sharing with his network, he can decide to spread information to others (retweet). This represents a great potentiality for companies that, if able to engage customers with their tweets, could increase electronic word-of-mouth. In the area of hospitality for example, a hotel guest could "retweet" adding a comment. Here is an example of a tweet published by a hotel guest⁸:

Hi @***** you must promote @**** Hotel as they were fantastic with our kids!!! #travel #tt.

Due to the very short length of the messages (140 characters), micro-bloggers usually include links to websites or traditional blogs in their tweets in order to provide more information about the topic. In this case, the message acts as a promotional ad inviting people to click on a specific link. An interesting example is a tweet about a hotel that was linked to the corporate Instagram page⁹:

Mizzi Hotel@MizziHotels
Looks like a perfect day for the pool! RT @*****  @ Spa at Mizzi Hotels
http://instagram.com/*****.

As a consequence of the previous assumptions, the combination "push-push-pull communication" can be identified as a specific feature of micro-blogging: from sender to followers, from followers to followers, and from receivers to an external source of information (Kaplan and Haenlein 2011).

⁸ The names of the hotel and the guest were intentionally removed.

⁹ The hotel name in this example is intentionally a fictional name.

1.3.3 Content Communities

Content communities are websites that allow users to share with a network of contacts media content of different types: texts (i.e., Bookcrossing), photos (i.e., Flickr, Pinterest, Instagram), videos (i.e., Youtube). The shared content can be private, visible only to the user's network, or public, when other people in the social community can look at the user's pictures and videos.

Online pinboard sites, led by Pinterest, is a relative recent online phenomenon in this category of social media. It is basically a way of sharing content (images, texts, videos) liked by the user with whoever follows him; this person in turn can comment on them if she/he has permission. The type of access to the community can differ according to the social media considered. For example, Pinterest has only recently opened up the possibility to create a profile for users because, at first, the account was obtainable only by invitation.

Pinterest is definitely the content community that is growing more rapidly in comparison with other social media of the same category. This growth is probably due also to its integration with Facebook and the possibility to create an account directly without an invitation by others.

1.3.3.1 Online Pinboards: The Case of Pinterest

Pinterest is a visual bookmarking site, a virtual pinboard, in which users collect, organize, and share what they love through images, videos, and comments. Since its launch in 2010, Pinterest has experienced an exponential growth from what concerns year-over-year audience increase and time spent across all devices (PC, mobile web, and apps) (Nielsen 2012b). Its audience reached 46 million visitors in July 2013 and is mainly composed by women aged 25–44 (comScore 2013). In comparison with other social media, Pinterest generates more referral traffic to other websites: this is probably due to the direct link from the picture/video to the website that includes additional information about it.

In practice, when a user finds something interesting he can “pin” his “interests” (from the combination of these two words comes the name Pinterest) on his “board,” that is the section of the page which collects different areas of interest. Users can have different categories of board depending on their needs, desires, and inspirations. Moreover, users can perform the action of “repining,” that means pinning in their board an image or a video that another user has already “pinned.”

As in the case of Facebook, thanks to its features a company can use a Pinterest page to promote a brand, a product, an event, etc. The increasing practice by users to get inspiration and find products to buy by interacting on Pinterest led recently to the creation of specific business-oriented pages. Regarding travel and tourism, more and more travelers use Pinterest in the planning stage, exploiting the visual impact and power of images, that is very involving, and the opportunity to share their tourism planning experience with other people. Business functions enable

companies to interact with users in a more professional and reliable way. Indeed, before starting a session on Pinterest, the business page is verified by the social media with a hidden line of code and, after the code has been recognized, businesses receive a verification badge on their Pinterest profile. From that moment, companies can start to create their boards, pinning content inside them. Moving from the assumption that the company's customers present features similar to that of Pinterest users, boards can be created to address different target markets of interest to the company. For example, in the case of hotels, boards can concern different topics according to specific target markets: wedding, conferences, events, etc., but they can also tell the story of the company and introduce staff and the location.

Right now, personal accounts and business accounts include the same features. The business account provides a dedicated area, "Analytics", which tracks the pinning activity of users on the website (pins, repins impressions, and click) and allows the company to examine data by date and by type of content. All the charts can be exported for further analysis. On the basis of analytics, the company can also screen users who are pinning on the websites by consulting their boards and their pins and repins about other products too.

1.3.4 Social Network Sites

Social Network Sites (SNSs) are websites that allow subscribers to connect and interact with other people. The starting point is the creation of a public or semi-public profile¹⁰ followed by an invitation to other members to share profiles (becoming friends), thus being automatically added to the list of contacts. This creates a group of people who share information and content (text, photos, videos, etc.) (Boyd and Ellison 2010). Users can communicate by means of posts, instant messaging (chat), or e-mail. The first type (posts) is public and all the contacts of the list can see it. In the other cases (instant messaging and e-mails), the communication is directed only to a selected friend.

SNSs can connect people with friends for leisure purposes (i.e., Facebook) or for professional reasons (i.e., LinkedIn). Nevertheless, these boundaries have changed with the development of corporate Facebook pages that allow companies to create specific pages for the company itself, single brands and products to interact with customers who are trying to engage them.

One of the first social networking websites, launched in 1997, was SixDegrees.com. This site started the trend of enabling users to create personal profiles and

¹⁰ Many SNSs offer some form of privacy by allowing their users to choose a public, private or limited viewing profile. Privacy policies of SNSs differ depending on the social network. Chapter 6 offers a more in-depth analysis of privacy implications.

make lists of friends. Anyway, Facebook,¹¹ launched in 2004, remains the most popular social networking site in the world (75 % of users live outside the United States) with more than 1 billion accounts worldwide of which 50 % log on daily and more than 6 million are mobile users (Nielsen 2012b). Moreover, Facebook has proved one of the most widely used social media for access to social care, that is the action of customers interacting with a company, a brand or a product on the corporate Facebook page or on the personal Facebook page (Nielsen 2012b).

Many companies in various business areas are already using social networks to improve their communication strategies. In some cases, the intention is also that of transforming social networks into distribution channels trying to “call to action” customers. An example in the hospitality industry is the “book now” function in the Facebook page that is connected directly with the booking engine of the hotel.

1.3.4.1 Facebook Corporate Pages

Along with the growing interest of companies in using Facebook to manage communication activities with customers and doing business, specific corporate accounts were created because commercial activities are prohibited in personal profiles. Personal profiles and business pages present some differences (Garibaldi and Peretta 2011). First of all, the purpose is obviously different because the company’s objective is not to socialize and find new friends, but to attempt to engage with customers, creating a long-term relationship and consequently improving sales. This difference implies a reduction in functionalities of the corporate page in actions toward personal profiles. In fact, the corporate Facebook page cannot send or receive friendship requests or see the profile of the page users. On the contrary, users receive updates on the company, the brand or products. This is allowed by Facebook policies because, by “liking” the corporate page, users have opted to receive this information.

The Facebook business page is structured as follows (accessed in September 2013):

- cover photo and the profile picture of the company/brand;
- “page title” and counting metrics visible by users (e.g. like, people talking about this and were here);
- “about” where the company can give general information (i.e., mission, brief description, etc.);
- “View and Apps” the area of the page that the company can customize (it is generally composed by the sections photos and events but other functions can be added);

¹¹ The initial purpose of Mark Zuckerberg upon creating Facebook was to allow university students to create and maintain social relations.

- “composer” the area where companies can interact with users asking questions with text, pictures, etc.;
- “friend activity,” where users can see how their friends interact with the page;
- “Date Selector” allows users to navigate sections of the page timeline;
- “Admin Panel” is a specific service that allows the company to view notifications, replies to messages, view page insights and edit page content.

Facebook offers also specific services for developing the page and checking corporate performance. Starting from the Admin Panel it is possible to access the “Facebook Page Insight” which collects all the Key Performance Metrics of the page (e.g. total likes, friends of fans, people talking about this, and total reach), which can be consulted and also exported to Excel, selecting a specific period of time. Data give also demographic information about the users of the page, trying to understand how they respond to posts.

1.3.5 Virtual Games/Social Worlds

Virtual worlds are online 3D representations of real life in which people interact with others in the form of avatars. Two forms of virtual worlds can be identified (Kaplan and Haenlein 2010):

- virtual games world is a Massively Multiplayer Online Role-Playing Game (MMORPG) where users must behave according to specific strict rules;
- virtual social world is a freer environment in which users can behave as in real life.

The first kind of virtual world has recently become popular due to the development of Playstation (Sony) and X-box (Microsoft). These are consoles in which games are more and more similar to real life and players can interact by chatting or by real-time conversations all over the world. Online multiple means of communication facilitate also the transformation of virtual friendship in offline real relationships.

The most popular expression of the second kind of virtual world is Second Life, a three-dimensional environment that provides users with the possibility of constructing an avatar, that is an alternative identity. Users interacting in the platform decide whether to replicate their real life or create a new improved version of it. Residents of Second life can buy and sell their content exchanging virtual money (Linden Dollars). They can manage businesses, work in a shop, earn money, and then keep it in the Second life bank (Kaplan and Haenlein 2010).

The main difference between the two kinds of virtual worlds is that in virtual games users are characters¹² of a predetermined story with some specific rules to

¹² In online virtual games players can create their avatars who can change in each game but derive inspiration from existing characters. New games are trying to multiply the possibility of free choices within this process.

follow and cannot decide freely what to do, as in the virtual social world. However, with the development of technology, firms that produce games are trying to offer a higher level of freedom to players regarding how to live their stories. This is the case of the game Grand Theft Auto (GTA) especially in its last edition.

Virtual worlds (games or social life) are interesting opportunities for companies especially related to communication activities like advertising, promotion, market research. Virtual product/location placement could, for example, increase the visibility of a new product launched on the market (a car in a race game or a flagship store in Second Life). Moreover, locations are the settings of these online worlds. Therefore, a tourist destination could be chosen as the setting of a new game or reproduced in Second Life where a hospitality brand could also open a new hotel. For example Aloft, a brand of Starwood Hotel and Resorts, opened a three-dimensional hotel in Second Life.

1.4 The Development of Social Media in Tourism

Social media have been transforming the way people communicate with each other and with companies. This is true especially in the tourism sector where customers more and more often interact with other people on social media during the different phases of their travel planning, especially during information search (Xiang and Gretzel 2010; Shao 2009). In fact, at this step of the consumer behavior process, social aspects like sharing, opinions and recommendations from friends play a central role. A study of PhocusWright (2013a) on the European travelers found that more than 50 % of interviewed individuals consider recommendations from friends and family influential and extremely influential in the decision process regarding whether to try or not a new brand.¹³ In fact, the travel planning process is mostly influenced by travel review websites (69 %), followed by online travel agencies (57 %), travel provider sites (56 %), and friends and relatives (43 %) (TripAdvisor/TripBarometer 2013). A study by Google Think Insight (2013) confirms that both leisure and business travelers increasingly search online for reviews of other tourists (42 % leisure; 55 % business), find inspiration (42 % leisure; 48 % business), and look at travel content or reviews by friends or family (27 % leisure; 39 % business). The statistics presented here and in the previous sections demonstrate the increasing use of social media by travelers during the decision-making process. As a consequence, academic research on the topic mainly aimed at studying the impact of social media on both consumers and companies (Leung et al. 2013) has increased over recent years. A stream of research is particularly focused on impacts of social media on travelers. In various studies scholars observe the behavior of travelers interacting with

¹³ The study reports about the results for France (influential, 30 %; extremely influential, 19 %), Germany (influential, 37 %; extremely influential, 23 %), and UK (influential, 39 %; extremely influential, 22 %).

social media in different stages of the travel planning process: before leaving (pre-trip), during their stay (during-trip), and after having come back (post-trip).¹⁴ In relation to these steps, the majority of researchers agree on the increasing role of social media especially for gathering information, evaluating alternatives, avoiding unpleasant places, and providing ideas before purchasing (Gretzel 2007; Anderson 2012). In fact, user-generated content such as customer reviews, travel diaries, etc. has become a key source of information for travelers (Pan et al. 2007). Electronic word-of-mouth (eWOM) offers noncommercial, authentic, and experiential detailed information about destinations and operators that are considered generally more and more reliable because they are not managed by the company (Buttle 1998). Therefore, travelers check feedbacks and read about the experiences of other people before choosing a destination, a hotel, etc., and then share their experience during the trip and after it when they get home. In particular, the interactions among travelers in the “during-trip” experience are increasing, thanks to the development of mobile technologies (Buhalis and Law 2008) that allow travelers to publish on Facebook images and videos of what they are doing, chatting real-time with friends about the experience they are enjoying by means of social networks or of other mobile apps (i.e., WhatsApp).¹⁵ The change in travelers’ habits concerns also the relationship with travel companies. In fact, according to recent statistics, consumers prefer social media to interact with brands and service providers (learn more about products, compliment brands, complaining about a product/brand) (Nielsen 2012b).

All these trends could become opportunities for travel companies to develop marketing strategies toward various target markets (Inversini et al. 2010; Munar 2010; Xiang and Gretzel 2010). Moreover, in view of the effect on purchases of negative customers’ feedbacks published on the Net (Chatterjee 2001; Laczniak et al. 2001), companies may sometimes face some threats. In the light of this, a stream of academic research focuses on social media application from the supplier perspective. In particular, social media play a key role for promotion activities, product distribution, communication, management, and research (Leung et al. 2013). Even if until now practitioners have valued social media especially for promotion and communication rather than as independent distribution channels (Noone et al. 2011; PwC 2013), the future trend for social media marketing could move from the current brand marketing to conversions and sales. However, the use of social media as a communication tool, if properly managed, can engage customers with a possible effect on customer loyalty, electronic word-of-mouth, and consequently on corporate sales and revenues (Dellarocas 2003; Chevalier and Mayzlin 2006; Dellarocas and Zhang 2007). Despite the increasing attention of

¹⁴ The classification of the travel planning process in pre-trip, during-trip and post-trip was proposed by Engel, Blackwell and Miniard in 1990 and is one of the most widely used by scholars in research on social media influence on travel-decision making.

¹⁵ The study TripAdvisor/TripBarometer (2013) found that travelers are more and more connected also during the trip and main activities are uploading photo (39 %) and news (34 %) on social networks and finding activities to do at the destination (33 %). The research was conducted on 15,595 TripAdvisor users in the period December 2012–January 2013.

practitioners and academic researchers on the topic, a few studies in the tourism sector demonstrate a slow process of adoption of social media by travel operators (Stankov et al. 2010; Leung et al. 2011). Some companies, eager to be present “on the Net,” forget that it is a special environment with specific rules needing a specific strategy, obviously integrated with other more traditional marketing strategies.

In the light of these first reflections, the following chapters will analyze in detail the effects of social media on the travel sector from the customer and the supplier perspectives. Possible future trends related to the development of ICTs in tourism (i. e., social mobile marketing) and specific aspects of ongoing discussions (i.e., social media metrics, SNSs privacy policies, social intelligence ethical and legal implications, etc.) will be also examined.

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Chapter 2

The Digitization of Word-of-Mouth

Abstract From the first article published on the topic of electronic word-of-mouth (eWOM) research has rapidly increased, underlining the importance of this phenomenon in various business contexts. Customers' purchasing behavior has increasingly changed with the development of Information and Communication Technologies and social media. Therefore, what had traditionally been defined as word-of-mouth (WOM) needs to be reconsidered and studied in light of recent trends. This chapter will analyze the evolution of the concept from WOM to eWOM and main dimensions for an analysis of WOM. Specific attention will be paid to credibility and possible biased information.

2.1 The Concept of Word-of-Mouth

The development of new technologies, and especially the increasing use of social media by travelers described in the previous chapter, pointed out the need to reconsider the received concept of WOM (also called Buzz), in the light of recent changes (Stauss 1997; Buttle 1998; Breazeale 2009).

Arndt (1967) and Koenig (1985) define word-of-mouth as an oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service. According to Stern (1994) "WOM involves the exchange of ephemeral oral or spoken messages between a contiguous source and a recipient who communicate directly in real life... WOM communication vanishes as soon as it is uttered, for it occurs in a spontaneous manner and then disappears." Moreover, WOM is perceived as different from advertising because it is independent and not paid by the company (Stern 1994). For this reason, it is considered genuine and more credible by customers (Bateson and Hoffman 1999; Ogden 2001). In fact, a study of Goldenberg et al. (2001)

demonstrates that WOM, both in the case of weak ties and strong ties,¹ has a deeper influence in information dissemination than advertising. Over the years, research has confirmed the powerful influence of WOM on perceptions, expectations (Webster 1991; Zeithaml et al. 1993; Lee and Youn 2009), attitude, and customer behavior (Dye 2000). Referral WOM can be used by customers as an important source of pre-purchase information (input WOM) or after the experience as a way of offering information and recommendations to other customers (output WOM) (Buttle 1998).

2.2 Word-of-Mouth and Electronic Word-of-Mouth

The spread of the Internet and wireless systems, with the consequent increased use of social media by customers (OECD 2012), highlight the need to reconsider the traditional concept of WOM (Stauss 1997; Buttle 1998; Breazeale 2009; Cheung and Thadani 2010, 2012). The opportunity for individuals to share their experiences with other people all over the world (Dellarocas 2003; Inversini et al. 2010) takes power away from companies and delivers it into the hands of consumers (Hennig-Thurau et al. 2004). Online user-generated content can be shared through posted reviews (consumer opinions on apposite websites such as blogs or commercial review websites), mailbags (customer opinions on the seller's website), electronic mailing lists and personal emails (consumer opinions sent by email), chat rooms and instant messaging (one-to-one real conversation on the Internet and Mobile), and posts on social networks (posts on Facebook, LinkedIn, etc.).

In the light of these trends, eWOM can be defined as "...any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet" (Hennig-Thurau et al. 2004). However, this kind of communication is not limited to brands, products, or services but can be related also to an organization, a destination, etc. (Buttle 1998).

The analysis of the traditional concept of WOM and of the definition of eWOM is a useful preliminary step to an identification of the main differences between the two concepts (Table 2.1).

A first aspect to be considered is the nature of the message. Unlike the traditional concept of WOM, eWOM is generally a written message, more and more visual

¹ Social ties can be classified as strong or weak (Granovetter 1973). Strong ties are represented by closer relationships with the individual's social network such as family and friends. On the other hand, weak ties are generally weaker and less personal social relationships that facilitate the information search about a specific topic (such as colleagues). According to Duhan et al. (1997) a tie can be characterized by various degrees of strength: it is weak if the recommender is just an acquaintance or is not known to the consumer and it is strong when the consumer knows the recommender personally. For an authoritative analysis of this topic, see also Pigg and Crank (2004), Gruen et al. (2006), and Chu and Kim (2011).

Table 2.1 WOM versus eWOM

	WOM	eWOM
Nature of the message	Mainly oral/private	Written/public
Form of the message	Direct	Indirect
Persistence	Lower persistence	Higher persistence
Synchronism	Synchronous	Asynchronous
Accessibility/speed of diffusion	Low/low	High/high
Credibility	Known source of information	Unknown source of information

Source author's elaboration on the basis of Buttle (1998), Breazeale (2009), Cheung and Thadani (2010, 2012)

(Rosen 2009),² not necessarily direct because customers publish their impressions on the Net often without addressing them to a specific known person.³ They publish user-generated content (text, images, and videos) about their experience which remains on that website. The message is therefore persistent because it does not vanish easily and asynchronous because it is not necessary for the interaction between the communicator and the receiver to take place at the same time (Cheung and Thadani 2012). On the contrary, other consumers can read these reviews even after a long period of time (Buttle 1998; Hennig-Thurau et al. 2004; Breazeale 2009), while searching for information online about a specific product or service (Ward and Ostrom 2002). The persistence of the message in online repositories makes it also possible for companies and researchers to measure eWOM (Cheung and Thadani 2012; Cheung and Lee 2012), an operation that was extremely difficult in the case of traditional WOM. Moreover, for what concerns accessibility, in the case of traditional WOM customers may ask the opinion of people they know, generally composing small groups, whereas in the electronic environment, millions of people, usually strangers, can gain access to the opinions of others (Libai et al. 2010) also for long periods of time (Hennig-Thurau et al. 2004; Hung and Li 2007; Park and Lee 2009). In this context it is difficult for the reader to determine the credibility of the message because the information comes from individuals who have little or no prior relationship with the seeker (Chatterjee 2001; Xia and Bechwati 2008; Schindler and Bickart 2005), are geographically and culturally dispersed (Gruen et al. 2006) and belong to diverse backgrounds (Litvin et al. 2008). Therefore, customers activate “weak-ties” with others in order to obtain information on specific features of the product (Brown and Reingen 1987; Gruen et al. 2006).

Online WOM can be distinguished in “organic/intrinsic,” that occurs spontaneously by the customer, or “amplified/extrinsic,” that occurs when the company

² According to Rosen (2000) we are moving from “old” online buzz mainly text-based to the new visual buzz based on images.

³ Actually, before the development of IT and online review sites, it was possible to publish a written product review on specific magazines; for example, the magazine of a consumers' association.

encourages customers to accelerate the spread of WOM (Godes and Mayzlin 2004; Libai et al. 2010).⁴ These actions are the base of viral marketing campaigns in which a company develops online marketing messages and stimulates customers to forward these messages to other members of their social network (van der Lans et al. 2010).⁵ Even though, as mentioned before, WOM is different from advertising, the act of rewarding customers in several ways for the action of spreading reviews (Buttle 1998) can generate a credibility bias especially in the online environment where the source of the message is unknown.

2.3 Electronic Word-of-Mouth Outcomes

Over the last few years, we have witnessed an increasing interest by researchers on the topic of eWOM. Several studies have endeavored to explain how people are influenced by received WOM information.

Most studies about eWOM communication adopted a dual process theory of human information processing (Cheung and Thadani 2012) that “divides the mental processes underlying social judgments and behavior into two general categories depending on whether they operate automatically or in a controlled fashion” (Gawronski and Creighton 2013). The most prominent dual process theories, mainly used in eWOM research, are the elaboration likelihood model (ELM) (Petty and Cacioppo 1984) and the heuristic systematic model (HSM) (Chaiken 1980). These models try to answer a central question: how different aspects of a persuasive message (e.g., strength of arguments, attractiveness of the source) influence the effectiveness of persuasive appeals. Other interesting dual process models investigate how attitudes are formed and changed and the mechanisms through which attitudes guide behavior. This is the case of Motivation and Opportunity as Determinants-MODE model (Fazio 1990) and the Dual attitude model (Wilson et al. 2000).⁶

The cited theories have been employed by authors in different ways to analyze the impact that eWOM has on customer attitudes and consequently on behavior and purchase intentions and decisions. Recent reviews of the literature on the topic show that eWOM studies can be classified into two levels (Cheung and Thadani 2010, 2012): a market-level analysis, focused on the impact of eWOM on product sales by examining objective data extracted from specific websites (i.e., reviews on TripAdvisor) (Chen and Xie 2005; Chevalier and Mayzlin 2006; Dellarocas and Zhang 2007; Duan et al. 2008; Zhu and Zhang 2010) and an individual-level

⁴ Godes and Mayzlin (2009) use the term “exogenous WOM” to describe the proactive actions of companies which induce their consumers to spread the word about their products online (Godes and Mayzlin 2004, 2009).

⁵ Viral marketing will be analyzed in Chap.4.

⁶ For a literature review on the topic of dual process theories, see Gawronski and Creighton (2013).

analysis, focused on the influence that the communication process between a communicator and a receiver may have on attitude and purchase decisions (Park and Kim 2009; Cheung et al. 2009).

Several academic studies on the topic of eWOM point out the impact of consumer reviews on attitude, purchase intentions, and customers' decisions (Schindler and Bickart 2005; Goldsmith and Horowitz 2006; Park et al. 2007; Buhalis and Law 2008; Law et al. 2008; Doh and Hwang 2009). In turn, Chang et al. (2005) found that attitude has a significant impact on online purchase intentions and decisions. According to Gruen et al. (2006), online customer-to-customer exchange activities have a considerable effect on the overall value of the firm's offering and consequently on the loyalty intentions.

The economic impact of reviews on companies' financial performances was demonstrated also empirically by analyzing in particular the valence (positive or negative) of the message and the volume of reviews (Chevalier and Mayzlin 2006; Liu 2006; Dellarocas 2003, 2006, 2007; Forman et al. 2008; Villanueva et al. 2008; Luo 2009; Godes and Mayzlin 2009). Although the previous view is the most widespread, some other studies showed that customer comments on the web are predictors of sales, but do not influence them (Chen et al. 2004; Duan et al. 2008). Schindler and Bickart (2005) found that customers consult online reviews for these main reasons: to gather information about brands or products by learning about the experience of other people and to support or confirm a previously-made decision. Even in these cases, and even though sometimes people search for information just for fun, with no serious intention to purchase and with an apparent passive approach, this action can influence future purchase decisions.

The role played by WOM recommendations in consumers' decision-making processes depends on the type of product. This is especially true of services or intangible products (Murray and Schlacter 1990; Gremler 1994) that present a higher involvement and perception of risk due to the difficulties in evaluating their quality prior to consumption (Baccarani and Golinelli 1992; Rosen 2000, 2009; Dye 2000; Laroche et al. 2004; Zeithaml et al. 2012). Moreover, in services industries, the feature of inseparability between service production and consumption and the importance of the customer experience make the influence of online recommendations even more important (Lindberg-Repo 2001; Grönroos 2000). For these reasons, the impact of eWOM on consumer behavior has been an interesting topic for many scholars who study the services industries and its subsectors. In particular, the phenomenon has been examined also in relation to the travel and tourism industry, main objects of this book, and a very important business in the services sector. In tourism and hospitality, online customer reviews generally affect information searching, holiday planning, and purchase decisions (Gretzel and Yoo 2008; Gretzel 2007; Litvin et al. 2008; O'Connor 2008; Papathanassis and Knolle 2011; Sidali et al. 2009; Vermeulen and Seegers 2009; Ye et al. 2009, 2011). A recent study by Anderson (2012) demonstrates how the score generated by the online feedbacks of guests can increase hotel performance in terms of occupation index and RevPar.

2.4 eWOM Biased Information

eWOM communication presents some biased information related to the purchase, the customer, and the company/third party organizations. The problem of legitimacy and authenticity of reviews posted on commercial travel review websites is one of the key current challenges. The main reasons of biased messages can be identified.

First, the online feedbacks are generally written by consumers who purchase the product (purchasing bias) and hence display a favorable disposition toward a product (Hu et al. 2009).

Second, people who post a comment on the Net are generally extremely satisfied or extremely dissatisfied (Anderson 1998; Litvin et al. 2008) because consumers with a moderate satisfaction are not stimulated by the same motivation to report online their perceptions (under-reporting bias) (Hu et al. 2009).

Third, consumers rely on the rating (the average rating given by the grade of online reviews) because it is intuitive and easy to understand, especially in cases with a lot of information to be selected. Sometimes they operate a first selection of travel services considering only the rating and not the content and the distribution of the reviews (Hu et al. 2009, 2012). Due to the subjective nature of online recommendations, this could be misleading for the travelers because the score does not always express fully the quality of the service experienced, unlike the content of the reviews (Lappas 2012).⁷ We could name this bias “consumer bias”. However, some studies suggest that the receiver of the message (user of social media during the travel planning process) is generally conscious of these two biases (purchasing and under-reporting) and compensates by using additional information about online product reviews to form the quality perceptions and decide whether to purchase or not (Hu et al. 2009). In fact, according to Banerjee and Fudenberg (2004), consumers who search information online are smart and aware of the presence of self-selection bias in online product reviews.

A fourth source of user-generated biased information is the possibility of deliberate manipulation of online reviews (deceptive reviews, Banerjee and Chua 2014) thanks to possible decontextualization and anonymity.⁸ This may generate fake positive or negative reviews which could be posted by professionals (the company and the competitors) or by customers. Hu et al. (2012) define reviews manipulation as “vendors, publishers, writers, or any third-party consistently monitoring the online reviews and posting non-authentic online reviews on behalf of customers when needed, with the goal of boosting the sales of their products”. Along the same line Mukherjee et al. (2012) describe opinion spamming as the

⁷ Banerjee and Chua (2014) identify two types of misleading reviews: disruptive and deceptive. Disruptive reviews refer to messages that “are frivolous and contain unmistakably irrelevant text,” while deceptive reviews concern messages that “are maliciously written to appear genuine, and hence not easily detected as spam”.

⁸ Anonymity can be reduced through personal identifying information (PII) (Xie et al. 2011).

“human activities (e.g., writing fake reviews) that try to deliberately mislead readers by giving unfair reviews to some entities (e.g., products) in order to promote them or damage their reputation”.

Manipulators can be both customers and professionals. In the first case, hotel guests could try to extort hotels in order to obtain discounts or favorable services. In the second case, professional manipulators may be the service producer aiming to improve its reputation or a competitor who tries to damage the reputation of a rival firm. Recently, manipulating companies designate groups of spammers, i.e., groups of people who are paid to write fake positive or negative reviews about a target product. This can be particularly damaging because a group can take control of the “sentiment” on a certain product (Mukherjee et al. 2012).⁹

The probability to consult fake reviews changes according to the website considered and the type of verifying policy. The anonymity of the message can increase ease of manipulation. There are two categories of online social media which allow people to spread word-of-mouth: peer networks (i.e., Facebook, Twitter, LinkedIn, etc.) and anonymous review websites (i.e., TripAdvisor, Yelp) (Tiwari and Richards 2013). Peer networks have the advantage of a higher trust than anonymous review websites which, however, offer deeper knowledge, and different perspectives (Cheung and Lee 2012). Another frequent distinction in the travel sector is that between the well-known anonymous travel review websites (i.e., TripAdvisor, Yelp) and OTAs (like Expedia and Booking). Anyone can post a review on a travel review website, while some OTAs allow customers to post a review only following an actual booking. The different organization of these operators determines a higher volume of reviews with a possible higher percentage of fake comments in comparison with OTAs (Mayzlin et al. 2012). In fact, to book a hotel room on an OTA you have to insert the number of your credit card and this generally discourages manipulators. But OTAs too are sometimes affected by problems with fake reviews. First of all, some other OTAs such as Orbitz allow anyone to post a review. However, there is a major difference in comparison with anonymous travel review websites: reviews are checked and classified as “verified” if the customer has booked the hotel room on the website and “unverified” if no booking has occurred (Mayzlin et al. 2012). Moreover, we have to consider the opportunity to review a service for which we do not have paid, for example a dinner or the Spa service. After having booked a room in a hotel paying only for the night, the traveler can actually review all the services of the hotel. But how is it possible to ascertain whether the customer had dinner at that hotel if this information is not included in the booking?

The detection of manipulated online reviews is a problem dealt with in various researches. Scholars have studied fake online reviews in different ways: detecting spam in collaborative settings (Mukherjee et al. 2012; Feng et al. 2012); exploring

⁹ Companies have been created recently with the specific aim to produce and sell fake reviews to travel companies. UK and U.S. public authorities have started to intervene through specific legal actions (see Sect. 2.7.1).

the impact of this manipulation on consumers and firms (Dellarocas 2006; O'Connor 2010); examining the market factors which can influence the propensity to engage in online manipulation (Mayzlin et al. 2012)¹⁰; understanding how customers respond to products when there is the suspect of manipulated reviews (Hu et al. 2012); and analyzing the attacker perspective, that is how to create a fake review that seems to be authentic (Lappas 2012). Many of these studies focus on the rating of the review while others prefer to concentrate on the text of the message to overcome what was termed above “consumer bias” (Hu et al. 2012; Lappas 2012).¹¹ The focus on the content of the message rather than on the rating comes from the conviction that the average rating can fail in evaluating the quality of an item because it does not consider the numerous attributes involved in the process and present in the content of the message (a mix of comments characterized by a positive and negative polarity). Therefore, analyzing the writing style could be a way of detecting manipulated reviews (Banerjee and Chua 2014). According to Hu et al. (2012) authentic reviews are different from manipulated ones because they are random and express a personal view of the experience arising from the specific background of the reviewer (i.e., culture, education, occupation, etc.). In the case of spamming groups which monitor the rating of a certain product and then, when it increases/decreases, start writing to manipulate the result, the message cannot be random and the writing style will tend to use emotive (positive/negative) sentiment to influence customers' choices.¹² Semantic analyses of reviews are particularly useful for social media like Facebook or Foursquare where quality evaluation is expressed only through text messages and visual content. Nevertheless, other scholars believe that trying to decide which reviews are manipulated by means of a semantic analysis is particularly difficult and sometimes misleading; this is why they developed other methodologies. An interesting case is the contribution of Mayzlin et al. (2012) based on the comparison of the hotel reviews distribution and rating between two different websites (TripAdvisor and Expedia) exploiting the cited difference in organizational structure that should determine a different distribution of online reviews.

However, since consumers expect to find fake reviews as the volume and quality of user-generated content increases, they interpret and filter what they read and see considering also this bias. Awareness that readers will have this perception even in case of authentic reviews could lead companies to manipulate online reviews with the aim to compensate (Dellarocas 2006).

¹⁰ An interesting stimulus for future research is offered by Mayzlin et al. (2012) who found that independent hotels engage more than multi-unit branded hotels in reviews manipulation.

¹¹ Online consumers' reviews are generally composed by a numerical rating of the product, a textual message, and visual content (i.e., photos, videos).

¹² Contradictory to prior research, a recent study of Banerjee and Chua (2014) found that genuine reviews contain fewer self-references than deceptive reviews.

2.5 Dimensions for An Analysis of eWOM

If attitudes influence purchase intentions and decisions, it is useful to assess the main eWOM communication factors that can influence customers' attitude toward a product, a brand, or a company. Electronic WOM communication can be analyzed considering the four major elements in social communication: the message, the communicator, the receiver, and the response (outcome) (Cheung and Thadani 2010, 2012). We will further analyze the features that contribute to generate eWOM outcomes already described in the previous section (Table 2.2).

2.5.1 The Message

The main dimensions for the analysis of messages transmitted by the communicator to the receiver in the traditional WOM literature are valence (positive, negative) and volume (quantity of information) (Mauri 2002;¹³ Blal and Sturman 2014). These dimensions are considered also by eWOM studies, but sometimes with slight adaptations. Valence is contemplated through recommendation framing and recommendation sidedness. The first dimension refers to the valence of the message (positively framed or negatively framed), while the second refers to the balance of positive and negative content in the same message: one-sided when it contains alternatively positive or negative information and two-sided when it contains both positive and negative information.

Another important dimension considered by researchers in order to analyze the content of the message is argument quality, also named argument strength, that can be defined as "the persuasive strength of arguments embedded in an informational message" (Bhattacharjee and Sanford 2006). Argument strength is the extent to which the receiver of the message views the argument as convincing or valid in supporting its position. Argument quality evaluation depends on (Cheung and Thadani 2012):

- relevance, the extent to which messages are applicable and useful for decision making;
- timeliness, the extent to which messages are current, timely and up-to-date;
- accuracy, the user's perception that the information is correct and reliable;
- comprehensiveness, the extent to which the message is perceived as complete.

Filieri and McLeay (2014) in their study on antecedents of information adoption in accommodation add another dimension of argument quality to the model: value-

¹³ Mauri (2002) identifies the following dimensions for the analysis of word-of-mouth: valence (positive and negative); intensity (quantity of comments); speed (number of contacts in certain period of time); persistency (length in time); importance (role of comments in the customer decision-making process); credibility (in terms of assurance and confidence of the source of the message).

Table 2.2 Dimensions for an analysis of WOM

Elements of eWOM	Dimensions
Message	Recommendation framing
	Recommendation sidedness
	Volume
	Argument quality/strength
	• Relevance
	• Timeliness
	• Accuracy
	• Comprehensiveness
	• Value-added
	Recommendation consistency
	Recommendation rating
Communicator	Product rating/ranking
	Source credibility
	Source type
	Social tie
Receiver	Homophily
	Expertise
	Confirmation of prior belief
	Involvement
	Motivation to process information
	Cognitive personalization
	Personal features (culture, gender, etc.)

Source author’s elaboration on the basis of Cheung and Thadani 2010, 2012

added information, that is “the extent to which information is beneficial and provides advantages from their use” (Filieri and McLeay 2014). In fact, by means of online-generated content, travelers can get further information generally not included in the corporate websites. Some studies demonstrate that undetailed or very general messages are considered untrustworthy, while description of a detailed first-hand experience are viewed as a cue of the message validity (Schindler and Bickart 2005; Schlosser and Kanfer 2001; Doh et al. 2009).

Filieri and McLeay (2014) found that information accuracy, value-added information, and information relevance are more influential than other dimensions in predicting travelers’ adoption of online information in the hospitality industry.

In this first group of dimensions related to the message, we have to consider also some peripheral cues that allow people searching for opinions on a product or service to obtain shortcut information helping them to evaluate the recommendation.¹⁴ A first

¹⁴ Dual process theory considers how different types of influences affect the persuasiveness of online consumer reviews. Informational influence depends on the content of the message (central route factors), while normative influence concerns the impact of online social aggregation mechanisms (peripheral route factors) (Petty and Cacioppo 1984; Cheung et al. 2009).

dimension is volume, i.e., the number of reviews/posts published by customers on a specific product, brand, company, etc., that creates an awareness effect about other people's interest, influencing product sales (Duan et al. 2008). In fact, the number of reviews/posts is often associated to product popularity (Chevalier and Mayzlin 2006) and should be considered when evaluating the ranking of a product (Viglia et al. 2014). Namely, a first position on TripAdvisor of a hotel in a destination with only 10 reviews should be considered weaker than a second position with 80 reviews. However, these are aspects that sometimes the traveler does not take into account in the decision process (Fileri and McLeay 2014) and that generally prove more important for novices than for experts (Park and Kim 2008).

Other peripheral cues are recommendation consistency, recommendation rating, and product ranking and rating, also called normatively based determinants (Cheung et al. 2009). Recommendation consistency refers to the congruence of the message with the opinions of others about the product (the consensus of other reviewers on the topic). For example, a customer searching for a product, in the case of a remarkable presence of positive framed messages and only few negative feedbacks, could think that the authors of the negative reviews were unable to use the product according to instructions. Recommendation rating shows the perception of other customers about the topic of the review, offering readers an evaluation of the usefulness of the message. For example, more and more websites ask readers consulting reviews whether they proved useful ("Was this review helpful?", see Fig. 2.1); this information is then sometimes published under the message (i.e., "30 people found this review helpful"). Product rating refers to the overall evaluation of a product or service by a consumer. It is a numerical information, generally a score given to the product, according to different scales and symbols on the basis of the website (e.g., five green bubbles in TripAdvisor, 1–10 scale in Booking.com, five stars in Expedia, etc.) (Minazzi 2010). The average score is also evaluated to create a ranking. Sometimes other indicators are added as, for example, the certificate of excellence of TripAdvisor shown under the ranking of the hotel (Fig. 2.1). In the travel sector, ranking and rating could be useful shortcut information to select accommodation options and reduce the number of alternatives in a context where the number of accommodations online and of published reviews are rapidly increasing. Product ranking in hospitality is one of the most significant antecedents of travelers' adoption of information from online reviews (Fileri and McLeay 2014). According to a study by Blal and Sturman (2014), ratings have a major influence on the performance (sales) of upper-tier hotels rather than on volume. Figure 2.1 illustrates in black boxes an example of ranking, rating, review information, and indicators of review volume and consistency in the TripAdvisor page of a hotel.

In the case of social networks, these last two dimensions are expressed for example by the "like" option of Facebook or the pins of Pinterest which are ways to tell others that you like that message, sharing the content with your network without necessarily having to write one specific post.

The screenshot displays the TripAdvisor interface for a hotel. At the top, there's a navigation bar with links like Home, Cernobbio, Hotels, Flights, Vacation Rentals, Restaurants, Things to Do, Best of 2013, Your Friends, and Write a Review. A search bar is also present.

The main content area is divided into several sections:

- Hotel name:** A placeholder for the hotel name with a 5-star rating and an "Add to trip" button.
- Hotel amenities:** A section for listing amenities.
- Enter dates for best prices:** A form with "Check In" and "Check Out" fields, each with a date picker (mm/dd/yyyy), and a "Show Prices" button.
- Professional photos:** A gallery of hotel photos with a "380 traveler photos" link.
- OTA1, OTA2, OTA3:** A table for comparing prices from top travel partners.
- 90% Ranked #1 of 7 hotels in:** A badge indicating the hotel's ranking, with 502 reviews and a "Certificate of Excellence 2013" badge.
- A recent review:** A snippet of a review titled "out of this world experience" with a 5-star rating and a "Nickname, users' city" placeholder.

Below this, there's a section for "502 reviews from our community" with a "Write a Review" button. It includes a "Traveler rating" bar chart showing the distribution of ratings (Excellent: 393, Very good: 54, Average: 32, Poor: 14, Terrible: 9) and a "See reviews for" section with filters for Families (83), Couples (259), Solo (9), and Business (37). A "Rating summary" table lists categories like Location, Sleep Quality, Rooms, Service, Value, and Cleanliness, each with a corresponding star rating.

The "See which rooms travelers prefer - 85 traveler tips" section shows "502 reviews sorted by Date" and "Rating" with a language dropdown set to "English first".

Two detailed reviews are shown:

- "out of this world experience":** A 5-star review from "Nickname, users' city" dated September 26, 2013. The text reads: "The beauty grandeur and the absolute attention to detail is mind blowing. You find yourself in a world and a Place where dreams are born, unfortunately we only stayed one night. The service was very attentive and behind the polished and strict discipline, there was a helpful and friendly attitude. The breakfast was second to none and again, in beautiful..."
- "Love it!":** A 5-star review from "User Nickname" dated September 19, 2013. The text reads: "Visiting is like taking a step back in time. We stayed in a suite with a stunning lake view. The service is superb and the hotel and its surroundings are absolutely beautiful. I had a lovely treatment at the spa and enjoyed relaxing at the pool area and gardens. The only thing we were not impressed with, was..."

On the right side, there's a "Related hotels..." section with three "Other hotel" entries, each with a "Show Prices" button. Below that is a "Browse nearby" section for Hotels (7), Restaurants (35), and Things to Do (4).

At the bottom right, there's a "tripadvisor" logo and a "Find hotels" button.

Fig. 2.1 Ranking and rating of TripAdvisor. Source www.tripadvisor.com (September 2013)

2.5.2 The Communicator

Shifting to the communicator of the message, the difference between WOM and eWOM regarding the generally unknown source of the message causes concern

about the credibility of online reviews (Park et al. 2007). Therefore, source type and credibility are highly valued by customers reading online recommendations and posts. Source credibility is the extent to which a source of information is perceived to be believable, competent (characterized by a certain expertise), and trustworthy by information receivers. It refers to the reputation of the website where the review is published (Brown et al. 2007) and of the reviewer. In this last case, it is sometimes conferred by the administrator of the website and, at other times, is indicated by specific and formal ranking on the basis of the message's helpfulness (Hennig-Thurau et al. 2004; Zhang and Watts 2008).

The source type is also very important because receivers of the message are influenced more by personal sources of information (i.e., friends and colleagues) than by unknown sources. Social ties between the two actors of the communication are critical elements. For example, in order to exploit the strong and personal social ties among people in the net, the commercial review website TripAdvisor allows users to log-in with Facebook credentials, thus offering them the possibility to identify the recommendations of Facebook friends. The opportunity to log-into other social media, websites, and Apps by means of one's Facebook profile offers more and more information about the communicator, helping the receiver to better interpret his or her credibility or assess similarity. In fact, the content of the message is evaluated in a different way according to the degree to which the receiver perceives to be similar to the communicator of the message, generally considering age, gender, education, social status, etc. (homophily). According to various studies, the presence of details and personal identifying information (PII) of the reviewers (Xie et al. 2011) is generally a cue of the message's validity (Ayeh et al. 2013). However, in the online environment this information is missing, reduced, or sometimes even intentionally fake. Therefore, according to some scholars, the conceptualization of homophily in this context is more associated with shared interests and behaviors (for example similar previous purchases, hotel preferences, etc.) rather than other personal information (Brown et al. 2007; Kusumasondjaja et al. 2011).

2.5.3 The Receiver

The response to a certain message coming from the same source of information can change according to the receiver's perceptions, experience, and involvement. Several studies show that receivers' features mediate information perceptions and therefore the impact on attitude and behaviors (Park et al. 2007; Zhang and Watts 2008; Cheung et al. 2009; Park and Kim 2009; Park and Lee 2009). Involvement (motivation) and prior knowledge (expertise) are highest on the list of the receiver's features in eWOM communication research (Cheung and Thadani 2012). Moving from previous studies, we have identified the following main factors related to the receiver:

- expertise, prior knowledge of the review/post topic and of the platform in which it is published. The expertise level of receivers can change over the customer's

life cycle (i.e., prospects and customers display different expertise about the products) and the product life cycle (products in their first stages versus products in their maturity stages) (Park and Kim 2008);

- confirmation of prior belief, the extent to which the message confirms/disconfirms the prior belief of the reviewer about a product, a brand, etc.;
- involvement, refers to the personal relevance of a product, a brand, etc. to the receiver, depending on her/his emotional and affective tie with the message;
- motivation to process information, refers to the desire to engage in a cognitive activity by reading and evaluating information. This is more intense when receivers are searching for something to satisfy a personal need (focused search) (Zhang and Watts 2008);
- cognitive personalization, concerns the inclination of people to interpret events and messages in a self-referential manner that is “the extent to which readers find resonance in the review and think about how they would feel in a situation described in the review” (Xia and Bechwati 2008).

Examining the receivers’ features that influence attitudes and purchase intentions and decisions, Park and Lee (2009) investigate also the role of national culture by comparing U.S. and Korean consumers’ behaviors. Moreover, Ricci and Wietsma (2006) in a study conducted in relation to the travel sector demonstrate the existence of a significant difference in the way men and women interact with online recommendations. Men show a high propensity to trust the opinion of the reviewer, while women seem less influenced by reviews and base their decision more on their own opinion of the product.

2.6 Recommendation Framing

This section will focus on the social recommendation framing of the message which is generally seen as a crucial dimension by researchers engaging in analyses of eWOM. Several studies on the topic of UGC found that the valence of the message (positive or negative) influences consumer behavior and sales (Sen and Lerman 2007; Vermeulen and Seegers 2009; Ye et al. 2011) sometimes in different ways according to the type of product (hedonic versus utilitarian). There is a direct relationship between valence of the message and booking intentions and decisions (Sen and Lerman 2007; Ye et al. 2011; Sparks and Browning 2011; Mauri and Minazzi 2013). This means that a prevalence of positive messages impacts positively on travelers’ behavior and, in turn, a prevalence of negative WOM has a negative impact on customers’ purchase intentions and decisions (Chatterjee 2001; Bambauer-Sachse and Mangold 2011; Mauri and Minazzi 2013).

Moreover, the balance of positive and negative comments can be a factor which consumers take into account. (Purnawirawan et al. 2012). In fact, if consumers perceive a low level of consensus, they may infer that the authors of negative reviews are unable to use or evaluate the product. On the contrary, in the case of

wider consensus on the negative side, customers will develop negative inferences toward the product and the brand (Laczniak et al. 2001). Furthermore, a recent study of Tanford and Montgomery (2014) found that, at the stage of travel decision, the presence of a single negative review can influence in a negative way the decision process, even if the majority of reviews offered favorable feedbacks.

According to various studies, the influence of negative WOM is greater than that of positive WOM because of its detrimental impact on businesses. Moreover, dissatisfied customers are more likely to share negative experiences with other people (Richins 1983; Morris 1988; Hart and Heskett 1990; Tax et al. 1998). Negative consumer reviews have negative effects on perceptions of company reliability and purchase intentions, especially when a company is unfamiliar to the consumer¹⁵ (Chatterjee 2001) and especially for experience goods (Park and Lee 2009; Pan and Chiou 2011). Although the majority of researchers endorse this opinion, other studies on the contrary showed that the influence of negative and positive WOM can be very similar (Ricci and Wietsma 2006). Both positive and negative reviews increase consumers' awareness of hotel existence, balancing the effect of negative comments on consumer opinions (Vermeule and Seegers 2009). This is true especially when the volume of negative WOM is small.

WOM valence can have an influence on customer expectations too (Grönroos 1982; Zeithaml et al. 1993).¹⁶ During the stage of information research, customers gather information about the service from various known (WOM) and generally unknown (eWOM) sources, with a positive or negative valence (Mauri 2002), and try to determine what to expect by a specific service (Mauri and Minazzi 2013). If negative WOM could have a detrimental impact on customer booking intentions, a prevalence of positive reviews could increase customer expectations. This is sometimes risky for companies as they have to monitor the online environment continuously to align actual service to customer expectations. Therefore, consulting guests' reviews can be an effective way to tune into the market, improving the service offered and gaining a competitive edge (Zhang et al. 2010; Ye et al. 2011).

2.7 Credibility of User-Generated Content

Due to the possible biased information of the review, decontextualization, and frequent anonymity, before adopting online information customers try to find cues of credibility in the messages. This is particularly true of the tourism sector because

¹⁵ Bambauer-Sachse and Mangold (2011) confirm the same result, also in the case in which the customer is familiar with the brand.

¹⁶ According to Grönroos (1982) WOM is a key factor that influences expected quality along with marketing communication, company image, price, and customers' needs and values. Perceived quality is then the result of the comparison between expected quality and experienced quality (Grönroos 1982; Oliver 1980, 1993; Parasuraman et al. 1985; Lovelock and Wright 1999).

of the intangible nature for tourism services and the psychological risk perceived during the travel decision-making process.

Credibility perceptions of eWOM are influenced by informative determinants (argument strength, recommendation framing, recommendation sidedness, source credibility, and confirmation with receiver's prior belief) (Zhang and Watts 2008; Cheung et al. 2009; Park and Lee 2009) and normative cues (recommendation consistency, recommendation rating) that may be able to supplement informational ones (Cheung et al. 2009).

Information usefulness, information relevance, and eWOM credibility have been demonstrated to impact positively on eWOM adoption and, consequently, on purchase intentions (Cheung and Thadani 2012). Argument quality of an online message and source credibility have proved most influential in relation to information adoption. For what concerns recommendation framing, although positive messages can be helpful in promoting positive attitudes, the presence of a few negative recommendations about the product has been demonstrated to be not so critical, since, on the contrary, it reduces the suspicious behavior of receivers (Doh and Hwang 2009).¹⁷ Moreover, considering the content of the message, two-sided information (with both positive and negative information) is generally considered more credible because the consumer thinks that each product has positive and negative features. Therefore, two-sided descriptions are perceived as more detailed information positively influencing argument strength (Cheung et al. 2009). In fact, as noted in the previous sections, the presence of details (Sparks et al. 2013) and personal identifying information (PII) of the reviewers (Xie et al. 2011) are generally considered cues of the validity and credibility of the message (Ayeuh et al. 2013). A study of Xie et al. (2011) found that the presence of PII has a positive effect on online reviews perceived credibility, which in turn significantly affects users' intention to book the hotel. Besides, the presence of personal information about the reviewer enables the reader to assess her/his degree of affinity with the reviewer, an aspect which influences the way the message is interpreted. In light of this, websites that publish recommendations require reviewers to provide personal identifying information (PII) in their profiles (e.g., name, state of residence, gender, and date of visit/stay) (Xie et al. 2011). Since in the online environment similarities among people are evaluated mainly with respect to shared interests (e.g., likes, dislikes, values and experiences) (Brown et al. 2007; De Bruyn and de Lilien 2008), some websites stimulate reviewers, sometimes offering incentives, to add supplementary personal information such as motivations, kind of job, hobbies, etc.

Due to the uncertainty related to online WOM, customers try to find recommendation consistency with their prior knowledge or expectations (Xie et al. 2011) and with the opinions of others on the product (the consensus of other reviewers on the topic). In fact, Xia and Bechwati (2008) found that the influence of the comment depends on the cognitive personalization initiated by the reader. If she/he perceives

¹⁷ Doh and Hwang (2009) demonstrate that a perfect set of positive messages is not required to influence receivers' behaviors.

the situation as familiar, she/he processes the information in a self-referential manner and the review becomes more credible, valid, and trustworthy. The same happens if the receiver of the message finds it congruent with the opinions of other customers publishing feedbacks on the topic.

Source credibility is another widely accepted cue that influences the credibility of the message and then information adoption. It refers to the reputation of the reviewer and the reputation of the platform where the comment is published (Brown et al. 2007). As mentioned above, the reputation of a reviewer is sometimes conferred by the administrator of the website and at other times it is indicated by specific and formal ranking on the base of the helpfulness of the message (Hennig-Thurau et al. 2004; Cheung et al. 2009). Figure 2.1 shows how TripAdvisor gives information about the reputation of reviewers. In particular, these are classified as reviewers or contributors according to the number of published recommendations, while the helpfulness of feedbacks is represented by the number of people who found that review useful.

In particular, the trustworthiness of the source of the message (reviewer and website) has been demonstrated to be more influential than expertise (Ayeh et al. 2013). The degree of trustworthiness of the communicator is a significant predictor of trust in the travel sector (Yoo and Gretzel 2011 and 2012). Tiwari and Richards (2013) found that peer networks (Facebook, LinkedIn, Twitter, etc.) are more influential than anonymous review websites (TripAdvisor, Yelp) in determining restaurant choice.

According to Brown et al. (2007) online communicators are more and more influenced by the websites rather than individuals credibility. In this case, source credibility depends on the expertise and trustworthiness of the website that publishes the review, rather than on the reviewer himself. Very popular blogs or websites can influence credibility perception, as well as the type of website. For example a corporate blog is generally regarded as less credible than those on consumer-to-consumer virtual communities (such as TripAdvisor, Zoover, etc.) (Park et al. 2007). This is why companies sometimes prefer to attach a link to the corporate website instead of creating a guest comment page.

2.7.1 Reviews, Rankings, and Ratings in the Tourism Sector: The TripAdvisor Experience

TripAdvisor is the most popular travel website that enables tourists to plan their trip consulting reviews, rankings, and ratings of various travel services such as accommodation, restaurants, and attractions. It is a consumer-to-consumer virtual community where people share knowledge and search for recommendations about travel services. The website, launched in 2000, has now more than 260 million unique monthly visitors, employs more than 1,600 people, and operates in 42 countries worldwide. Over 150 million reviews and opinions covering more than 4



Fig. 2.2 TripAdvisor badges for reviewer reputation. *Source* www.tripadvisor.com (consulted September 2013)

million accommodations, restaurants, and attractions are published from travelers around the world (TripAdvisor, July 2013).

TripAdvisor collects the recommendations of travelers producing informational and normative based cues of the product quality. In the case of accommodation, we can identify several indicators (see also Fig. 2.1):

- the rating, a numerical information on a scale from 1 to 5 (5 being the best) represented by green bubbles. Hotels have an aggregate rating that reflects the average of individual ratings for each review. The rating is also presented according to the type of consumer (families, couples, solo, business) and to the service quality area (location, sleep quality, rooms, service, value, cleanliness);
- the ranking (popularity index), refers to the position of the hotel with respect to other competitors in the same area on the base of quality, quantity and recency¹⁸ of its content on TripAdvisor;
- the volume, refers to the number of reviews published. It is generally interpreted as another indicator of the popularity of the hotel;
- the certificate of excellence, that is an award for hotels with high performances concerning rating and ranking;
- the reviewer reputation, refers to the indicators of reviewers' expertise. Since 2012 TripAdvisor introduced "badges" for reviewers according to the number of feedbacks published, classifying them from basic to top levels which are visually represented by a star of different color on the base of the level (Fig. 2.2);
- the number of reviews in the same category, for example regarding accommodation, the number of recommendations the reviewer has published in the same category (hotels);

¹⁸ Recency refers to the date the review was posted. Recent reviews influence more strongly the popularity rankings while older reviews have less impact on a hotel's ranking over time. See more at: <http://www.tripadvisor.com/TripAdvisorInsights/n543/how-improve-your-popularity-ranking-tripadvisor#sthash.Xw6o9uKR.dpuf>.

- the recommendation rating, refers to the usefulness of judgments expressed by other customers about the topic of the review. TripAdvisor asks each reader: Was this review helpful? The number of reviewers who view the message as helpful is then published under reviewer's score.

Credibility of reviews, especially those of TripAdvisor and other travel review websites, has been criticized because it is easy to publish fake feedbacks. In fact, all customers, including those who have never visited a certain hotel, can publish a review (Feng et al. 2012; Mayzlin et al. 2012). This is an opportunity for companies to publish positive reviews to enhance their reputation, and negative ones to damage competitors. Hotels sometimes offer incentives to consumers in order to lead them to publish positive comments by rewarding them with discounts and service upgrading. Moreover, some companies specialize in techniques aimed at hiding their identities by creating fake online profiles on consumer review websites or paying freelance writers (this phenomenon is called "astroturfing"). On the other hand, a study of O'Connor (2010) on 100 hotels randomly selected from the 1,042 listed on TripAdvisor's site for the London market, suggests that, unless some reviews are suspect, the majority of them seems not to be fake.¹⁹

Nowadays, customers pay more attention to the credibility hints of messages and virtual communities' validation procedures are more and more under control by public authorities. Following a request by some hotels, UK's Advertising Standards Authority (ASA) has recently ordered TripAdvisor to rewrite its trust claim (remove the term "trust" from the website communication) (Ayeh et al. 2013). The Attorney General's office of New York has investigated on the topic and has penalized 19 companies which have to pay more than \$ 350 000 for violation "of multiple state laws against false advertising" and engagement "in illegal and deceptive business practices" (New York State office of Attorney General, 23rd September 2013).²⁰

Considering this current trend, Google has communicated the intention to fight against fake reviews by changing its algorithm in order to ensure more authentic recommendations (Google 2013). In response to criticism, TripAdvisor explains the methods employed to manage the legitimacy of reviews²¹:

¹⁹ O'Connor (2010) applied the criteria suggested by Keates (2007) for the identification of false reviews (namely extreme scores and a solitary visit by the reviewer to join and post the review). In the same way, an experimental study of Mukherjee et al. (2013) demonstrates that Yelp filtering is reliable.

²⁰ For further insights see New York State office of Attorney General, 23rd September 2013: Available via: <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-agreement-19-companies-stop-writing-fake-online-reviews-and>.

²¹ See the response of TripAdvisor to the studies on fake reviews. Available at: <http://www.tnooz.com/article/tripadvisor-responds-to-provocative-study-of-bogus-online-reviews/#sthash.Qh6fAER6.dpuf>

- Systems, reviews are systematically screened by TripAdvisor proprietary site tools;
- Community, users warnings about suspicious content;
- Quality Assurance Teams, an international team of quality assurance specialists investigate suspicious reviews that are flagged by the previous two tools.

However, recent statistics about the travel sector confirm that also customers who purchase offline use mainly the Internet to compare prices and to read reviews by other customers (PhoCusWright 2012). Therefore, despite criticism, TripAdvisor and other similar virtual communities are increasingly employed by customers who are generally able to interpret the messages considering biased information previously described. These trends should be seriously considered by travel companies.

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Chapter 3

Social Media Impacts on Travelers

Abstract This chapter examines the impact social media can have on travelers' behavior, through the integration of decision-making studies and travel planning theories. Influences of social media are analyzed for each step of the travel planning process: before leaving (pre-trip), during the stay (during-trip), and after having come back home (post-trip). The second part of the chapter focuses on travel experience sharing activity. In particular, reasons for sharing, dimensions of co-creation, and main mediators of travel experience are examined. Finally, demographics and various roles of social media users (lurkers, posters, and shoppers) are discussed.

3.1 Consumer Behavior in Tourism

Travel services are mostly considered experience products (Cohen 1979; Urieli 2005; Moscardo 2010; Sundbo and Sørensen 2013), mainly intangible (Murray and Schlacter 1990; Gremler et al. 1994) whose quality is difficult to be evaluated prior to consumption (Rosen 2000, 2009; Dye 2000; Zeithaml et al. 2012). These features determine high customers' involvement in buying decision practices and a consequent high-risk perception that usually generates a longer and more complex consumer behavior process (Murray and Schlacter 1990; Laroche et al. 2004). Furthermore, purchases of travel services more and more take place in the online environment where consumers' behavior has specific features (Viglia 2014).

In order to analyze how consumers buy tourism services, a brief review of the theories regarding purchasing process are presented.

According to the decision-making studies, the traveler buying process consists of five stages: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior (Kotler et al. 2010; Zeithaml et al. 2012).

Another perspective of analysis of the tourists' planning process (travel planning theory) suggests a temporal perspective based on a process generally composed by

Table 3.1 The stages of consumers' behavior and the travel planning process

Consumer behavior stages	Three-phase travel planning process
Need recognition	Pre-trip phase (anticipatory)
Information search	
Evaluation of alternatives	
Purchase decision	
Post-purchase (post-decision behavior)	
Consumption	During-trip phase (experiential)
Post-purchase (post-consumption behavior)	Post-trip phase (reflective)

Source author's elaboration

three phases: pre-trip, during-trip, and post-trip (Engel et al. 1990); the anticipatory phase, the experiential phase, and the reflective phase (Craig-Smith and French 1994; Jennings 1997, 2006).¹

The first approach (decision-making studies) is supposed to be more related to people deciding for a single purchase (Jun et al. 2007), while the second one (travel planning theory) considers travel planning as more complex in nature as it implies interrelated actions about a combination of many services at the same time to achieve multiple goals (Stewart and Vogt 1999; Dellaert et al. 2014). Hereafter, we will try to integrate the two aforementioned approaches (decision-making studies and travel planning theory) considering the stages need recognition, information search, evaluation of alternatives and booking/purchase as part of the pre-trip phase (anticipatory), the consumption as part of the during-trip stage (experiential), and post-consumption as part of post-trip (reflective) (Table 3.1).

Travel planning starts with the recognition of a need that can be generated by internal and external stimuli. Therefore, previous experience guides the customer toward a specific product that he or she knows could satisfy that specific need. Moreover, suggestions of other people, commercials, or other marketing stimuli can influence the customer's identification of which activity could satisfy that need (Kotler et al. 2010).

After having recognized their needs, people try to find information about goods and services able to grant satisfaction. Consumers generally employ both personal and nonpersonal sources in order to obtain thorough information (Zeithaml et al. 2012). Personal information comes from word-of-mouth spread by family, friends, neighbors, colleagues, etc., while nonpersonal information is represented by both online and offline commercial sources (corporate website, advertising, salespeople, etc.) and public/third parties sources (official classifications, customers reviews, ratings, rankings, awards, etc.) (Kotler et al. 2010).

¹ Scholars have different perspectives on defining the temporal nature of tourism experiences. Killion (1992) presents the travel experience as a circular model adapting the "linear" recreation experience model of Clawson (1963) composed by the following phases: "planning", "travel to", "on-site activities", "return travel", and "recollection". For further insights see Jennings (2006).

Table 3.2 Online sources of information in the travel planning process

Information	Consumer generated	Social networks profiles Personal blogs Content communities profiles	Corporate website Corporate blog Social networks pages Content communities pages	OTAs (rating/rankings) Meta-search Travel review websites Travel blogs Wikis
	Firm generated	Online notices on social media	Corporate website Corporate blog Social network pages Content communities pages	Online ads Travel review websites Travel blogs Travel distribution channels
	Third parties generated	-	-	Associations' ratings (i.e. Forbes travel guide, AAA) Online tourist guides (Lonely Planet) Online ads
		Consumer	Producer	Third parties
		Property of the website		

Source author's elaborations. With kind permission for Lawrence Erlbaum Associates

We already discussed in the previous chapter the higher credibility of word-of-mouth (offline and online) versus corporate communication in driving consumers behavior. Personal and public sources of information, meant as experiences of other customers (both friends and strangers) and quality indicators (rating, ranking, etc.), can help customers reducing the perception of risk. However, with the broad diffusion of information technology, we can identify an overlap between the concepts of personal and public sources of information. In fact, online reviews of other customers are personal information that comes from friends and/or strangers on online public platforms. Table 3.2 shows a classification of main online sources of information according to two dimensions: the generator of information (consumer/firm/third parties)² and the property of the website where the information is displayed.

Online information can be generated by customers (actual customers and prospects) who post content on their social media profiles, on those of other people

² Online consumer-generated (inbound) and firm-generated (outbound) communication flows are studied by Gallagher and Ransbotham (2010) and Noone et al. (2011). Gallagher and Ransbotham (2010) identify a "Firm and customer communication path with social media" where inbound information flow is the "magnet" to draw firm-customer dialog while outbound information flow is the "megaphone" that the firm can use to share its message by means of social media.

(friends or bloggers), on the corporate website, blog, or social media page, as well as on third parties websites (i.e., OTAs, meta-search websites, travel review websites, and travel blogs). An interesting case is that of OTAs and meta-search websites that generally offer different kind of information on the basis of consumer-generated communication flows. A first type is the authentic content published by the customers themselves: reviews, scores, photos, videos, etc. A second category is represented by the overall rating and the ranking generated by the elaboration of single customers' scores by means of a specific algorithm.³

Online information can be generated also by firms on their corporate websites, blogs, social media pages (social networks and content communities) as well as on third parties websites. For example, online advertisements, responses, and content published on TripAdvisor, posts on travel blogs, or different kind of content (textual, visual) published by companies on online distribution channels. With the spread of social media, firms can also have the opportunity to communicate with users on their social media personal profiles. For example, Facebook users who "like" a brand page will receive directly posts containing specific information that, in turn, can be shared with their network of friends (advised posts). In this case, information generated by a firm, if able to engage customers creating the willing to share it, can then turn into personal information of friends. Furthermore, opportunities to customize social media advertisements on the basis of different target markets allow companies to obtain an increasing presence on customers' personal profiles.

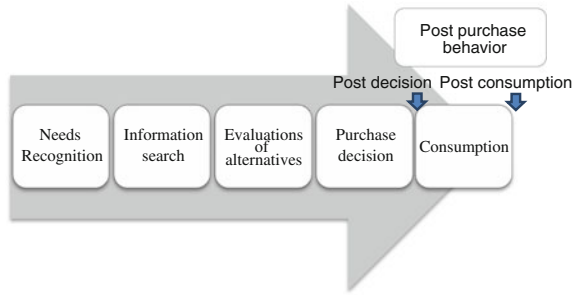
Finally, online information can come from third parties organizations of associations, travel clubs, and tourist guides, generally existing also offline, that offer official ratings, hotel information, destination and attractions descriptions, etc. (e.g., Forbes Travel Guide, American Automobile Association-AAA, Lonely Planet, etc.).

At the end of the step of information search, customers have identified a set of alternatives: a group of products considered acceptable options in a certain product category. The product is composed by different attributes that are evaluated on the basis of subjective factors, depending on the importance given to each attribute according to customer's needs and wants (Kotler et al. 2010).

After the evaluation of different alternatives, the customer decides to buy or not to buy. Sometimes purchase intentions can be affected by other factors, hardly under the control of the company: attitudes of others and unexpected situational factors may influence customers' final decision to purchase. For example, the behavior of other members of the family could influence the decision about a holiday or an unexpected expense could have an effect on the decision if make holiday that year, or simply on the selection of destination. Also in case of the actual purchase decision, the perception of risk can persist because the customer generally books or purchases the service in advance respect to the actual vacation period. In this case, especially when there is a significant amount of time between

³ The example of TripAdvisor popularity index is reported in Sect. 2.7.1.

Fig. 3.1 The stages of consumer behavior process in tourism. *Source* author’s elaboration



the booking/purchasing action and the actual consumption, post-purchase behavior plays a key role because customers may try to find elements able to reassure themselves about the decision taken.

Considering this characteristic of travel services, post-purchase behavior can be divided in post-decision behavior and post-consumption behavior (Fig. 3.1). This distinction is particularly important because the influence of other sources of information or situational factors could affect the post-decision stage, interrupting the customer behavior process with the booking cancelation before the actual consumption, or even with a no-show.

The consumption stage in the service sector is a process composed by various stages and activities, characterized by interactions between the consumer and the companies involved in the service delivery (Zeithaml et al. 2012). In fact, during a travel experience, the customer interacts with different stakeholders present throughout the service delivery that mediate the overall experience (Wang et al. 2012): companies (transportation companies, hotels, travel agents, local attractions, etc.), different employees of the companies according to the kind of service experience (check-in, food and beverage, etc.),⁴ and other people (customers, residents, etc.). For example, in the case of a hotel stay, the guest’s experience could be influenced by the presence of noisy customers that disturb the check-in process or the dinner at the hotel restaurant. Therefore, all these interactions affect customers’ perceptions and consequently their service quality evaluations of the overall experience (Zeithaml et al. 2012). In other words, customers are partners of the company and participate in the consumption co-producing the service (Prahalad and Ramaswamy 2004).

At the end of the consumer purchasing process, there is the post-consumption stage in which the evaluation of the service quality takes place. In particular, customers compare expectations and perceptions as a progressive process starting from the first stages of the booking process, and arriving at a final and overall customer satisfaction judgment that considers perceived service quality, the

⁴ Normann (1984) defines “moments of truth” the interactions between the consumers and the company staff because they are moments in which the staff can really demonstrate the service quality. The topic of Service Encounters is studied also by Bitner et al. (1990).

price/prices paid, personal factors, and situational factors (Zeithalm et al. 2012). On the basis of the satisfaction/dissatisfaction evaluation, customers may activate a positive or negative word-of-mouth and decide if becoming loyal. In the case of cognitive dissonance, which comes from a disconfirmation caused by post-purchase conflict, the customer could stop buying the product (exit) or give voice to dissatisfaction (voice) (Hirschman 1970) and take actions in order to reduce dissonance (Oliver 1980, 1993); for example, complaining and developing online and offline negative word-of-mouth.

Next paragraphs will study more in-depth the concept of travel experience and social media influence on the steps of the traveler planning process: pre-trip, during-trip, and post-trip phases.

3.2 The Travel Experience

Tung and Ritchie (2011) define a travel experience as “an individual’s subjective evaluation and undergoing (i.e. affective, cognitive, and behavioral) of events related to his/her tourist activities that begins before (i.e. planning and preparation), during (i.e. at the destination) and after the trip (i.e. recollection).”⁵ As we know from the literature, different people can desire different kind of tourist experiences (Cohen 1979) and, as we mentioned in the previous paragraph, the evaluation of their quality comes from a comparison between expectations and perceptions. According to the approach developed by Parasuraman et al. (1985), Zeithaml et al. (1993), expectations are influenced by personal needs, previous experience, word-of-mouth, explicit service promises (e.g., advertising), implicit service promises (i.e., price, tangibles), transitory service intensifiers (e.g., emergencies, services problems), and situational factors (e.g., bad weather, a strike, etc.) while perceptions are influenced by the result of the service delivery and external communication to the consumers. However, this approach is more related and applicable to single services, provided by different services operators, and does not consider the systemic nature of the company and the global perspective of analysis of the tourism experience (Mauri et al. 2013). Moreover, the satisfaction judgment comes from a subjective and emotional response to the various aspects of all the services provided (Otto and Ritchie 1995) that compose the overall tourism experience.

Pine and Gilmore (1998) propose a change of paradigm from the service delivery approach to the creation of an experience. According to the above-mentioned authors, people cannot have the same experience because it comes from the interactions (moments of truth) with the service providers (especially front office employees), and is influenced by the state of mind of each individual (emotional, physical, spiritual, and/or intellectual) and of other customers present during the service supply (Lehtinen and Lehtinen 1991; Lin et al. 2001; Orsingher 2003;

⁵ For a literature review of the tourist experience see Morgan et al. (2010). See also Volo (2009).

Ekinci and Dawes 2009). Therefore, tourist experience cannot be linked to a temporal dimension (Jennings 2006): expectations and perceptions are dynamic because they continue to change due to the interactions activated during the service supply and the influence of the competitive environment (Fournier and Mick 1999; Seth et al. 2005). The tourist constructs his or her personal experience combining subjectively the different fragments of the supply provided by the travel operators (Uriely 2005) during the whole travel process. Urry (1990) coined the term “tourism gaze” to describe how the tourists subjectively interpret the destination.

This new paradigm considers the experience as the result of a co-creation process⁶ in which all actors collaborate to value creation (Prahalad and Ramaswamy 2004).⁷ With the development of new technologies, this is no more only a result of a co-creation between the company and the consumer but it is increasingly affected by the relationship among consumers (Grönroos 2008).

Some authors in the past conceptualized the tourist experience as something in contrast with everyday life (Cohen 1979; Uriely 2005). Since the 1990s, the distinction between these two concepts has gradually decreased due to the development of new media and technologies (Neuhofer et al. 2013). In fact, Internet-based systems mediate the travel experience by means of user-generated content (UGC) that tourists can share (videos, photos, etc.). In this way, the tourism practice can be more and more accessible within everyday life without necessarily moving toward a specific destination (Jansson 2002; Uriely 2005; Tussyadiah and Fesenmaier 2009; Wang et al. 2012). Social media that allow sharing UGC operate as virtual “media of transportation” acting on imagination of tourists (Tussyadiah and Fesenmaier 2009).

Jennings and Weiler (2006) identified two different kinds of mediators of the tourism experience: personal (i.e., other tourists, tourist providers, local governments, and communities) and nonpersonal (design, signage, esthetic, and settings). With the development of ICTs, researchers give more and more attention to new kinds of technology-based mediators generally connected to the Internet and to new devices: the well-known smartphones, digital cameras, and new mobile devices like Google Glass or Apple Watch (wearable devices). The UGC created by tourists around the world can be shared on social media and affects, in this way, the travel experience of other people. This can happen in all the steps of the travel process: in the planning phase, because a video can stimulate the traveler’s imagination about a destination; during the trip: when travelers are searching for interesting things to do at the destination or for sharing; and then at home, alone or with others, in the phase of recollection of the experience. Videos have been demonstrated to be mediators of travel experiences able to “generate a mental pleasure through imagination that bring to life people’s dreams and fantasies of visiting” a certain destination giving them also the opportunity to re-experiencing the past (Tussyadiah and Fesenmaier 2009).

⁶ Prahalad and Ramaswamy (2004) define co-creation as the “practice of developing systems, products or services through collaboration with customers, managers, employees, and other company’s stakeholders” (cited by Ramaswamy and Gouillart 2010).

⁷ This new approach is the basis of some academic streams of research: co-creation (Prahalad and Ramaswamy 2004) and service-dominant logic (Vargo and Lusch 2004).

Also Wang et al. (2012) underline the importance of new IT devices as mediators of travel experience. In particular, smartphones provide different kinds of services that can enrich the tourism experience in all the steps of the travel planning process. But the during-trip stage is generally the most influenced by location-based services (find restaurants, download Apps about the destination as a tourist guide, etc.) and entertainment services (share photos, videos, etc.) provided by mobile devices.

Next paragraph will examine in-depth the impacts of social media on the travel planning process, considering the temporal dimension of travel experience divided into: pre-trip (anticipatory), during-trip (experiential), and post-trip (reflective).

3.3 Social Media Influence on Travelers' Planning Process

Social media influence travelers in all the steps of the customer purchasing process (Schindler and Bickart 2005; Christou and Nella 2012), before, during, and after holidays, but with a different extent and diverse objectives (Fotis et al. 2012). Several recent academic studies have pointed out the impact of UGC on travelers decision-making and purchasing processes (Buhalis and Law 2008), especially with reference to information searching, holiday planning, and purchase decisions (Gretzel and Yoo 2008; Litvin et al. 2008; O'Connor 2008; Sidali et al. 2009; Vermeulen and Seegers 2009; Ye et al. 2009). A study of comScore (2013) found that, even if OTAs are the most visited websites during the travel process (80 % of travelers interviewed), 26 % of travel buyers were exposed to travel-related content on Facebook.

Before going on reading, consider that the propensity of people to use social media in various stages of travel planning can change according to cultural and age differences, as demonstrated by a few academic studies (Cox et al. 2009; Fotis et al. 2012; Wilson et al. 2012).

3.3.1 Pre-Trip Phase

The steps of the pre-trip phase lead the traveler to make decisions and create expectations about the upcoming tourism experience (Gretzel et al. 2006; Xiang et al. 2014). IT developments decrease search costs and increase the power of customers who can have a more active role during the decision process. Moreover, "traveler 2.0" (or "social traveler") is a multi-device customer because of the simultaneous use of an extensive range of technologies and devices (Parra-López et al. 2012; Xiang et al. 2014). In fact, more and more people combine PC and mobile devices, especially in the stage of travel information search (comScore 2013).

Despite social media influence on all the consumer behavior stages, a recent study of Google Think Insights (2013) on both leisure and business travelers' online activities shows a very high concentration of actions in the pre-trip phase. This is the ranking of top seven online activities of travelers interviewed:

1. research an upcoming trip;
2. read reviews from other travelers;
3. research a destination, flight, hotel, or vacation as a result of seeing an online ad;
4. brainstorm or start thinking about a trip;
5. watch a travel video;
6. request more information about an upcoming trip;
7. look at travel content or reviews by friends or family.

For what concerns the first step, the need recognition stage, social media can stimulate new ideas or influence the transformation process of a need in a specific desire. In the first case, Facebook, Twitter, or virtual communities can stimulate new travel ideas. A study of White (2010) demonstrates that travel-related photos generate an interest in friends that affects the travel plans. Another study of Fotis et al. (2012) confirms that social media in the pre-trip stage are mainly used to decide where to go and seek new ideas. For example, Pinterest in the settings options allows users to choose if receiving two kinds of emails: "stuff you may like" or "weekly inspiration." Someone interested in travel could be inspired by a message about a new destination and then start gathering information about that. In other cases, someone could share online the need to "escape from every-day-life" on Facebook or Twitter and friends could suggest how to find satisfaction (e.g., a weekend in a wellness center). A recent study of Google/Ipsos (2013) found that 68 % of interviewees begin to search online before having decided the destination where to go.

After this first step, customers start looking for information. Social media play a key role in this step. In fact, recent academic studies confirm the importance of online reviews (eWOM), and in general UGC, during the step of travel planning (Gretzel 2007; Anderson 2012; Xiang et al. 2014) because they can be particularly useful source of information for travelers (Pan et al. 2007). This is true especially in case of infrequent decisions characterized by high customers' involvement and perception of risk, particularly when strong-tie sources of information are not available. In these cases, cognitive dissonance could occur and then travelers could invest more time in searching for information to reduce the perception of risk and dissonance (Tanford and Montgomery 2014). In these contexts, online comments, photos, and videos of other customers can help making decisions (Schindler and Bickart 2005). For example, in the case of a new destination, never visited before by the customer or by his or her friends, social networks and content communities become websites where the traveler can ask for other people experience. Sharing videos and pictures could decrease the perception of risk and positively influence the decision-making process. Moreover, also in this stage of information search, content communities like Pinterest and YouTube could be instruments to find inspiration for new potential destinations.⁸

⁸ Image content is used 37 % of the time during the travel decision process, which is more than twice as much as videos, at only 18 % (comScore 2013).

Generally, in the pre-trip stage customers look for information about accommodation and transportation (comScore 2013) but more and more Internet environment has become a place where people search also for other experiential travel products (attractions, shopping, and dining at the destination) (Fotis et al. 2012; Xiang et al. 2014). In this stage, customers' reviews about travel operators (accommodation, restaurants, destinations) are rich sources of information that help travelers to identify a certain group of alternatives, narrowing down choices (Fotis et al. 2012). The development of mobile technologies has moved in part this research to the during-trip phase, especially in the case of high experience customers or already known destinations (Jun et al. 2007). For example, if you know already the attractions in a specific destination, you can plan your activities when you arrive there (i.e., restaurants, museums, weather forecasts, etc.). Moreover, Global Positioning Systems (GPS) technologies allow customers to move easily when they arrive at the destination using maps and other Apps on their smartphones. This can reduce the necessity of finding information about local transportation, city guides, etc., before the departure. A recent study of Xiang et al. (2014) confirms an increasing number of people looking for information about the destination during the trip rather than in the phase of trip planning. However, recent studies confirm that information search about "activities to do" is a key issue both during the search of the destination and the consequent stages of travel planning (comScore 2013).

Information Technology (IT) has extended the amount of alternatives for travelers and the possibility to compare more easily the tourism offers. After having identified a set of alternatives, travelers compare them, trying to select the best choice. As said previously, hedonic/experiential goods like travel are characterized by high involvement and perception of risk. Moreover, sometimes customers can be exposed to cognitive dissonance if the information selected is inconsistent with their beliefs or simply in case of uncertainty about the choice made. In these cases, social media can play a key role in order to confirm the travel decision made (Fotis et al. 2012).

To compare alternatives customers can use transactional or nontransactional travel websites. Actually, nontransactional websites can have two different goals: reviewing and trip planning, and comparing the offers of different OTAs, airlines, hotels, etc. (meta-search) (Buhalis and O'Connors 2005). Every OTAs (Booking.com, Expedia, etc.), meta-search websites (i.e., Skyscanner, Trivago, Kajak, etc.), and social media/travel review websites (as TripAdvisor, Lonely Planet, etc.) can give useful information for travel decisions. Comparing, ratings, rankings, travelers' reviews, and visual content for each website and for each alternative, the traveler can come more precisely to a final decision. The main difference between OTAs and meta-search/travel review websites is the possibility for users to book directly the room. Meta-search and travel reviews websites are generally linked to OTAs or other travel operators where the transaction can be concluded. However, social media can affect customers' purchase decisions and transactions even though the final operation will be concluded on another website. In fact, TripAdvisor for example can influence and address the booking choices of customers by means of

the function “show prices” that compares prices of a few specific OTAs.⁹ At the same time, in the case of social networks like Facebook, a hotel corporate page could sometimes help customers in, not only interacting with the company, but also coming to final decisions (i.e., the option “book now”). In practice, they have a specific plug-in (that is very similar to the booking engine of the website) that gives users the opportunity to verify rooms availability in a specific period, than being transported to the website of the hotel only in case of actual booking/purchase.¹⁰ Moreover, the recent opportunity for customers to log-into TripAdvisor with the Facebook account allows them, during the stage of comparing alternatives, to identify possible feedbacks of friends included in their network. This can be very helpful to decrease the perception of risk and trust bias connected with eWOM, as explained in Chap. 2.

As mentioned in the first paragraph, after the travel choice (that sometimes is only a reservation and not a binding decision), we have a moment called post decision in which the traveler could change something or improve the organization of the journey. In the meanwhile, main activities involving social media could be searching for information to reassure themselves about the choice undertaken (customer reviews, ranking, ratings, etc.), or organizing activities at the destination (excursions and other leisure activities). During this phase, any unexpected situations or cognitive dissonance could influence travel planning with a few changes, especially in the case of nonbinding decisions (a free cancelation booking). A study of Fotis et al. (2012) found that a large majority of interviewees made some sort of changes to the original travel plan after having consulted online UGC.

The increasing trend to delay some kinds of travel decisions/purchases to the during-trip stage (especially for the “activities to do” at the destination), thanks to the development of mobile technologies, could be a risk for some travel companies. In fact, plans developed in the pre-trip stage could then change during the travel experience (Stewart and Vogt 1999; Jun et al. 2007). The ability of travel companies to convince customers purchasing the services since the pre-trip stage is a great opportunity. Social media could be useful instruments thanks to the large amount of people who search for information on the web. Some transactional websites are working in this direction by means of partnerships with other travel operators. For example, when customers book a flight on the website of some airlines (e.g., Ryanair, EasyJet) before concluding the purchase process, the airline will offer them to book other services such as accommodation, car rental, airport parking, etc. This is a clear attempt to optimize sales already in the pre-trip phase. The same occurs in the case of meta-search websites and social media. For example, Lonely Planet allows

⁹ Recently TripAdvisor allowed hotels that have a TripAdvisor corporate page to add business listings (address, e-mail, telephone number) and through TripConnect the rate of the hotel can be displayed in the section “show prices”. These new services can help hotel companies to increase direct bookings. For more information see <https://www.tripadvisor.com/TripConnect>.

¹⁰ The direct relationship with travelers, and therefore the opportunity to book directly starting the process from a social media, is a great opportunity for companies because decreases the amount of commission to be paid to OTAs and other costs of distribution (Noone and Andrews 2000).

travelers to plan and purchase hotels, flights, car rentals, adventure tours, sightseeing tours, and insurance by means of specific partnerships with Booking.com, Kayak,¹¹ major car rental operators, WorldNomads.com,¹² and some local travel companies. The traveler, after having planned the service and consulted ratings, rankings, and other community users' reviews, can check availability and book the services also paying in advance on the specific travel partner website.

3.3.2 *During-Trip Phase*

Travelers continue to search for information and make decisions also during the trip. As mentioned before, with the development of mobile technologies the pre-trip and the post-trip stages can overlap thanks also to the increasing opportunity for tourists to be connected to the Internet during the journey. In fact, airports, hotels, transportation, restaurants, and entire destinations more and more allow customers to connect to the Net for free.

Travelers generally use multiple devices during the various stages of travel planning, but during the trip we notice a growing importance of mobile devices (especially smartphones) (Expedia, ComScore-Expedia Media Solutions 2013). Main activity is generally search for information about: weather/climate, restaurants/reviews, activities to do (Expedia, comScore 2013).¹³ Searching for information on social media during the trip can also have the objective to reduce the perception of risk and increase the perception of safety (Schroeder and Pennington-Gray 2014). Especially, business travelers use mobile Apps and websites to take real-time decisions about transportation, hotels, restaurants, etc. For example the App "Tonight" of Booking.com and "Hotel tonight" were created with the objective of satisfying the need of travelers to rapidly identify a hotel nearby. The booking engine of the App is already set on "tonight" and users have only to decide the ranking according to popularity, proximity, price, and rating. But a vast range of location-based mobile Apps allow tourists to take real-time decisions about various services at the destination. Foursquare, for example, locates services nearby the user who can share the position to his or her friends by means of the function "check-in."¹⁴

But the diffusion of mobile technologies has particularly affected the possibility for people to create context-related information (Buhalis and Foerste 2013) and to share real-time experience (Qualman 2009; Litvin 2008). Social media and short messages

¹¹ Kayak, being a meta-search site, will compare the fares of different airlines and OTAs.

¹² WorldNomads.com is a travel insurance company launched in 2002 that provides services for independent travelers (<http://www.worldnomads.com/>).

¹³ Even if the percentage changes slightly according to the kind of customer behavior considered, this information is generally the most searched during the trip.

¹⁴ On Foursquare if you check-in in the same place/company you become frequent user and obtain also more points/badges that certify which kind of traveler you are.

service (SMS) allow people to share text, photos, and videos. Social networks are particularly suitable for these activities, in fact, many of them ask users generally to share “what they are doing in that moment” with the network of friends. When traveling, all days are full of new experiences to share: a post on Facebook or a new pin on Pinterest with the photos of the gorgeous typical dish you are tasting, or the beautiful view you are watching at. Tourism activities are highly related to visual content (photos and videos) that, when sent by mobile phones or posted on social media, become a sort of “new postcard.” However, Munar and Jacobsen (2014) found that old and new technologies sometimes overlap. In fact, in their study “old postcards” and “new-postcards” were equally used by travelers for holiday greetings.¹⁵ But “old postcards” convey new social meanings connected to: having a tangible souvenir that reminds the travelers’ the experience and the destination (Gordon 1986), or creating an emotional link that lasts in time with families and friends.¹⁶ A paper postcard of a beautiful holiday location could also be tangible evidence to represents a status and stimulate envy in other people (Pine and Gilmore 1998).

Another sharing activity of travelers during the trip is posting online reviews on travel review websites, such as TripAdvisor, giving scores, publishing photos and describing the experience. These activities could be a great opportunity for hotels that generally host the traveler for at least one night. For example, in case of a complaint the hotel staff could promptly intervene trying a service recovery when the customer is still at the hotel. However, this means a real-time management of social media by employees in charge of this task.

Despite a few studies pointed out a major use of social media during the pre-trip stage for searching information (Cox et al. 2009) and during post-trip phase for sharing activities (Fotis et al. 2012), recent research underlines the increasing importance of social media in the during-trip step of the travel planning process mainly due to the development of mobile technology (Munar and Jacobsen 2014; Xiang et al. 2014). This means a progressive move of some travel decisions from the pre-trip stage and the post-trip stage to the during-trip phase.

3.3.3 Post-Trip Phase

According to a recent report of comScore (2013), 45 % of travelers after the trip post travel-related content on social media and write online reviews. Multiple devices (especially laptops and smartphones) are used at the same time to publish photos and videos on social media, while the main device used to write a review is the laptop.

¹⁵ The study was conducted on a sample of Scandinavian travelers coming back from Mallorca.

¹⁶ We have also to consider that not all the people use new technologies or have a smartphone (for example elder people). Therefore, travelers could desire to send to or to take home a picture for the grandparents.

After coming back home, travelers evaluate the quality of the whole travel experience and develop an overall customer satisfaction judgment. This evaluation could determine the action of posting a review online on specific websites (e.g., travel review websites as TripAdvisor¹⁷) for one or more services availed during the trip. In some cases, customers are also stimulated by means of an email sent by the service provider or an intermediary a few days after the comeback. For example, OTAs send an email asking a quality evaluation to the customer about the experience: a questionnaire that asks customers to give a score for each service provided with a section where travelers can upload their photos and videos. Another example is that of TripAdvisor that provides companies (only those with a corporate page) with specific functions aimed at stimulating the publication of online reviews.

Despite the increase of real-time sharing during the trip, thanks to the improvements of Internet connectivity at the destination, sharing activities can continue also after the trip. The cited study of Fotis et al. (2012) on Internet users from Russia and the former Soviet Union Republics shows that 78 % of them share content on social media in the post-trip phase. In the same way, Murphy et al. (2010) found that the majority of young travelers interviewed usually share UGC about the trip on social media (Facebook) in the post-trip stage.

Facebook and Twitter could be helpful media to extend the effects of holidays in everyday life, sometimes with a little bit of sadness. In other cases, tourists use social networks to interact with the company sharing good UGC, this could be a sort of award for the company, or a way for complaining. In this last case, a proper complaint management processes is essential for a successful customer care (Kaplan and Haenlein 2011). The interaction with customers in this stage on social media, if properly managed, can be an opportunity to make a client loyal, developing a long-term relationship. The Sect. 3.4.3 will study more in-depth the motivations for sharing UGC and in general for spreading eWOM.

3.4 Sharing Travel Experiences on Social Media

3.4.1 Tourism Experience and Storytelling

During their travel experience tourists hear and create their own stories that then, in turn, can be told to (shared with) others as memories. In the tourism system, stories can be produced at different levels: stories of residents (traditions, heritage, etc.), of destinations (history, culture, etc.), of the tourist staff (employees, tour guides, etc.), and of other tourists at the destination (Moscardo 2010). The action of telling stories is called storytelling and has been defined by The National Storytelling Network as “the interactive art of using words and actions to reveal the elements and images of a

¹⁷ The TripAdvisor case has been described in Sect. 2.7.1.

story while encouraging the listener's imagination,"¹⁸ According to this definition, storytelling "involves a two-way interaction between a storyteller and one or more listeners." Therefore, listeners have an active role, being co-creators of the story, because they actually create the story in their mind on the basis of the performance of the teller filtered by their personal features (past experience, beliefs, etc.).

Research on storytelling in tourism focuses mainly on two areas: a management approach that studies how travel operators and destinations can employ stories to improve marketing strategies and branding (Hsu et al. 2009; Woodside et al. 2007, Woodside 2010), and a customer approach that investigates how stories can influence the tourists' choices, and the role played by stories told by other tourists, especially with the development of Web 2.0 and social media (Litvin 2008; Kozinets et al. 2010). In this paragraph, we will focus especially on this second stream of research, trying to understand the link existing between word-of-mouth and storytelling and the prerequisites that transform a travel experience in a story to be told.

Word-of-mouth and storytelling are concepts considered at the origin of folklore, religion, and myth, therefore telling stories is one of the most ancient ways to transfer contents from one person to another (Denning 2006; Sassoon 2012). However, word-of-mouth, as defined in Chap. 2, could sometimes simply concern telling factual and informative contents (i.e., telling others which is the best airport for that destination, or the right season to visit it). In these cases, WOM cannot be considered storytelling. However, some scholars found that generally WOM communication is expressed in the narrative form of a story (Delgadillo and Escalas 2004). This structure creates surprise and emotional engagement that, in turn, produce a discourse about the tourism experience rather than a mere person-to-person recommendation (Solnet et al. 2010; Fontana 2013). Moreover, the repetitive positive WOM about a travel experience (that includes obviously destinations, travel operators, etc.) can actually become a "story" (folklore) that can be told by anyone, even someone who had never had that experience (Solnet et al. 2010).

With the development of ICTs in the tourism sector, we notice the proliferation of these narrative discourses on social media; they are travel stories that create meanings combining texts, images, and videos (travel blogs and communities, Facebook, etc.).¹⁹ Travelers can at first listen to stories by other tourists or travel operators, etc. and then perform and create their own. These first-hand stories can then be shared with other people during the trip and in the post-trip stage, influencing other travelers' behavior and affecting the brand image of the tourism operators and/or destination. Moreover, as mentioned in the previous chapter, the presence of a first-hand experience is perceived as a cue of the message validity and credibility (Schindler and Bickart 2005; Doh et al. 2009). According to Hsu et al. (2009), "first-hand visitor reports of experiencing destinations indicate that tourists

¹⁸ For further insights see <http://www.storynet.org/resources/whatisstorytelling.html>. Accessed April 2014.

¹⁹ The practice of telling a story combining narrative, images, music, voice, supported by means of digital media is defined Digital storytelling (Lambert 2013).

tell stories that offer clues of how they interpret and enact the myth that these destinations enable". But to become an experience that travelers desire to tell, obviously it has to be registered in their memory (the autobiographical memory),²⁰ This process can be very different from one person to the other considering some demographical aspects such as age, gender, stage of the life cycle, etc. Tung and Ritchie (2011) identified four dimensions which enable experiences to become memorable:

- *affect*, concerns the valence of the experience: positive emotions and feelings are more recalled by negative ones. Starting from positive emotions, travelers are more likely to provide more details about their experience;
- *expectations*, a not planned, unexpected event (a surprise) can reinforce the recall of a certain experience;
- *consequentiality*, refers to the possible results of the trip. For example: social relations created during the experience (e.g., friendship, love), intellectual development acquired thanks to the visit (e.g., learning the history and the culture of a destination), self-discovery (e.g., a change in the state of mind of the traveler after the experience occurred during the trip), and overcoming physically challenges (e.g., developing skills and expertise in a sport);
- *recollection*, refers to the effort made by travelers to remember the tourism experiences. They can help themselves with a photograph, a video, a story, a souvenir, etc.

Therefore, a memorable and engaging experience can be easily recovered from the memory becoming narratives of a storytelling activity.

Moreover, as mentioned before, the increasing opportunity to connect to social media during the trip, thanks to mobile technologies, encourages instant sharing of travelers' stories that, in turn, can produce real-time feedbacks of friends, eventually changing "the story" (suggesting maybe new activities and interpretations of the tourism experience) (Kozinets et al. 2010). This concept is called Mobile storytelling that can be defined as "the structured and shared presentation of visual material produced with a mobile device, supplemented by text and/or music and sound" (Klastrup 2007).²¹ People, through mobile devices, can tell and share "small stories" about their lives. But the development of Mobile storytelling lead to a new interpretation of "interactivity" with a story, different from that intended within the traditional concept of Storytelling. Namely, in this case, the narrative co-creation is not only the result of a process that the listener activates in his or her mind filtering the story on the basis of personal features. Mobile storytelling entails that the

²⁰ Brewer (1986) defines autobiographical memory as "the subset of human memory related to the self... organized in terms of frequency of experience, and imaginal properties of the representation...".

²¹ The study of Klastrup (2007) shows an increasing trend of creating stories around available content (e.g., photos, videos, etc.) rather than around "real" experience.

narrative is produced by means of multiple social interactions and a co-creation among people generally of various groups (i.e., the friends on Facebook) generating a “dialogue of stories” (Klastrup 2007).

Finally, we notice the development of the so-called Transmedia storytelling²² that concerns the action of telling stories across multiple media platforms (Jenkins et al. 2006). The narrative structure develops through various languages (verbal, iconic, etc.) and media (TV, smartphones, Internet, video games, etc.) (Scolari 2009), changing accordingly.

3.4.2 The Dimensions of Co-Creation Through Technology

The increasing use of technology during the travel planning process, especially in the during-trip stage, and a more and more interconnected tourist, affect the way experience is created. Co-creation is no more related to a process that involves the company, the customer, and other consumers at the destination but also people at home or based elsewhere should be seriously taken into account. In fact, the opportunity to share UGC allows tourists to be connected with their social network of friends and with the family, being influenced by their responses and comments.

Tourists can co-create their experience through technology at different levels. A study of Neuhofer et al. (2013) identified six dimensions of co-creation, considering the grade of involvement and the social intensity of the connection: social connectedness, social intercommunication, social interaction, co-participation, and co-living. A key prerequisite for co-creating travel experiences through technology is the opportunity to be connected (social connectedness). Tourists maintain their social relationship with the network (family, friends), even if physically in another place, by using various mobile devices. Actually, this could also be interpreted as interference in the tourism experience. In fact, some travelers prefer to be socially disconnected during the tourism activity in order to live an authentic experience different from everyday life. Anyway, in case of social connectedness, tourists can be linked with people at home or based elsewhere in different ways: from a more light contact based on messaging (social intercommunication) to a more intense dialog in which both sides create and exchange meaning (social interaction). The authors identified also a deeper level of connection between tourists and online social networks that increases the intensity of co-creation of the tourism experience. In this case, technology represents the facilitator media that allows travelers a real-time sharing of what is happening with people of the online social network that become co-participants of the travel experience (co-participation). Sometimes, sharing activity is so intense that people at home or based elsewhere are not only participants but live the experience through

²² Other scholars describe the same concept with other names. Among others we find for example cross media storytelling (Bechmann Petersen 2006).

the eyes of the tourist (co-living). An example of this last case could be a video call during a concert that allows people at home to see part of the show, living real-time the same emotions of the friend that is physically present.

3.4.3 Motivations for Sharing Travel Experience

A work of Hennig-Thurau et al. (2004) pointed out the motives that drive customers to spread word-of-mouth online, combining economic and social activities within virtual communities. They identified five main motivational categories: focus-related utility, consumption utility, approval utility, moderator-related utility, and homeostasis utility.²³ A recent study of Munar and Jacobsen (2014) reviews the literature on the topic related to motivations for sharing tourism experience and identified three main reasons: individual action and personal cognition, self-centered motivations, and community-related motivations.

Therefore, on the basis of these previous studies, we can identify two main groups of motivations for spreading the travel experience online: community-related and self-centered motivations.

The first group is related to the purpose of adding value to the community. It comprehends the concern for others (Engel et al. 1993), that is the intention of travelers to help other customers (altruism) telling them about their favorable experience (Sundaram et al. 1998; Cheng et al. 2006; Yoo and Gretzel 2011), as well as the intention to “to give something in return” to the company for the good experience (Sundaram et al. 1998; Cheung and Lee 2012). Another reason for consumers to engage in eWOM is the need of social integration and of belonging to a community (McWilliam 2012; Qu and Lee 2011; Cheung and Lee 2012). In fact, the level of online interaction and engagement of people changes also according to how they perceive themselves in relation to other members. As stated by Lee et al. (2012), individuals with interdependent self-construal perceive themselves in connection with others and part of a larger community. Therefore, they are more likely to engage and interact with community members but differently conformity to the kind of brand community: in consumer-brand communities, the intent is related to brand likability and interpersonal relationships while in marketer-brand communities, the main objectives are brand liability, convenience seeking, and incentive seeking (coupons) (Lee et al. 2012). The sense of belonging generated by means of the active participation in a travel community can increase the action of knowledge sharing (Qu and Lee 2011). Moreover, online word-of-mouth gives the opportunity to people to exert a collective power over companies (i.e., criticism and complaints). In this case, negative feedbacks refer to unfavorable experiences and are meant to dissuade other people from buying that product. Customers can have

²³ Hennig-Thurau et al. (2004) developed their analysis started from the dimensions identified by Balasubramanian and Mahajan (2001) and added homeostasis utility.

an attitude of aggressive complaint or a more moderate behavior trying to alert other consumers for the risk of that product (Cheng et al. 2006).

The second group of reasons for sharing travel experiences concerns individual, self-centered motivations. Online sharing could have the objective of gaining respect and recognition (approval utility). In this case, customers who post a comment desire to have an informal or formal approval on their feedbacks usefulness. Informal approval derives from private or public online conversations while formal approval is granted by a ranking system that assigns a score or a status to each reviewer (i.e., top or expert contributor) according to the usefulness of the feedback. Reasons of this behavior could be a self-enhancement motivation, based on the need to gain a reputation on a consumer opinion platform (Lampel and Bhalla 2007; Gretzel and Yoo 2008; Munar 2010), or on the intention to obtain a reward from the operator that manages the platform, generally an economic benefit.

Sometimes travelers desire to have a third-party actor that mediates his interactions with the companies (i.e., staff members for complaints management) or want to stimulate others to give advice on a certain topic. In this last case, the main objective is saving time and costs of holiday planning (functional benefits) (Wang and Fesenmaier 2004). Customers could also have the intent to restore balance to extremely satisfactory experience (positive comment) or, on the contrary, extremely dissatisfactory experiences (negative feedback). Therefore, eWOM communications may have the objective to share joy with other people or to reduce frustration (social benefits). A recent study found that sense of belonging, enjoyment of helping others, and reputation are the reasons that have an high impact on the customer intention of spreading online WOM (Cheung and Lee 2012). Finally, a strong reason for creating UGC is also hedonism: to have pleasure and fun interacting with other people (Nonnecke et al. 2004; Parra-López et al. 2012).²⁴ However, according to various studies of Yoo and Gretzel (2008, 2011) travelers' income level, nationality, culture, age, involvement, as well as personality are key factors that influence travelers' social media use and engagement.

3.5 Social Media Users

3.5.1 Lurkers and Posters

Online community participants are commonly divided by existing research into two groups: posters, who actively participate in the community, and lurkers, who read content but never post.

Despite the growing importance of UGC, the academic literature shows that a large part of social media users are lurkers: they are not able or motivated to create

²⁴ Parra-López et al. (2012) identify three motivations to use social media: functional, social and hedonic benefits.

and share their experiences online. In fact, a study of Yoo and Gretzel (2012) on online travelers found that only 20 % of them have ever posted contents online. A report of Vision Critical (2013) found that 64 % of Facebook users are lurkers because they post less than 5 times per week (26 % of them have posted less than 10 times in the past year).

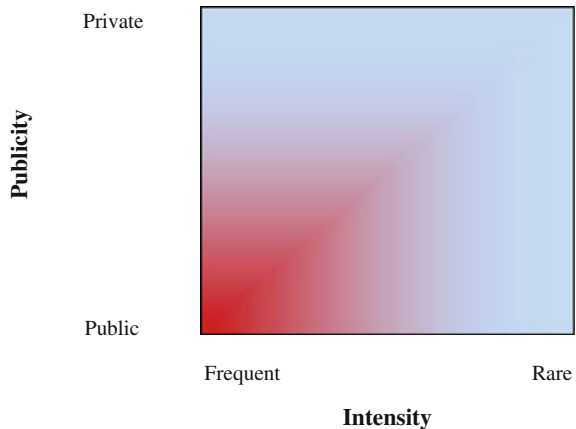
Nonnecke and Preece (2003) define lurkers as “anyone who reads but seldom if ever publicly contributes to an online group”. The action of lurking is possible in public newsgroups and communities, where a formal registration is not required and anyone can access to the content, as well as on social networks, where people can create a profile and then look at online content of friends or colleagues without interacting or creating.

Research shows that it is hard to find a shared definition of lurkers according to the frequency of activity on the community. They have been classified as passive or active but differently according to various approaches. Bowes (2002) defines passive lurkers as people who only read but never participate, and active lurkers as people who at first read and then respond privately to messages posted. Another approach is that of Walker et al. (2010) who classify lurkers into passive and active considering the frequency of activity on the community (how many times people logged into on a certain online community).

Leshed (2005) proposed a model that represents online community behaviors according to two dimensions: publicity represents the degree of exposure in a participant’s activity (posting vs. reading), and intensity identifies the frequency of participants’ activities using a time measurement (frequent vs. rare). On the basis of this model, we suppose that newcomers of online communities at first will lurk in a private environment. Hereafter, they could decide to increase the intensity of participation, the degree of exposure, or both the dimensions at the same time (Fig. 3.2).

Research on the topic found that a minority of lurkers are completely passive, intending to lurk from the outset (Nonnecke et al. 2004). Therefore, this attitude is determined generally by other reasons that can be grouped into four categories

Fig. 3.2 A model of online community behaviors. *Source* Leshed (2005). With kind permission for Lawrence Erlbaum Associates



(Nonnecke and Preece 2001). First, it can depend on the member's personal character: the user could be shy or prefer to remain anonymous for privacy or safety reasons. Sometimes the barriers for posting depend on users' grade of expertise or on the relationship that occurs with the social group: he could be novice to the virtual group and therefore feel a lack of expertise to respond. Otherwise users think of not having something to say or find the feedback already in responses given to others. Second, reasons for lurking could depend on the characteristics of the community: among others, a community environment of poor quality (content) or hard to use (usability), delay in responses, aggressive behavior toward newcomers, or simply a lack of a direct request to post, can disincentive people to participate. Third, the propensity to lurk can change during the membership stages: at first users could dedicate some time to learn about the group before starting to post²⁵ or, if they understand that the community is not interesting for them, before leaving the community. Fourth, external constraints could influence users: for example, to have not enough time or specific work conditions.

Among all these possible reasons, a study of Nonnecke et al. (2004) pointed out that main explanations for lurking are connected with personal features and the membership stage. In fact, top five reasons identified are (Preece et al. 2004): I prefer just to read/for me it is enough (53.9 %), I'm still learning about the group (29.7 %), I'm shy about posting (28.3 %), and I've nothing to offer (22.8 %). Several motivations were also connected to the ability of the group to create the prerequisites for participating. In fact, in the ranking, we find also an item referred to the lack of requirement to post by the group (21.5 %). Other items, in lower positions of the ranking, are instead connected with the way the community is managed. This means that maybe a better management of the group could offer more opportunities to encourage lurkers to participate. Finally, a study of Gretzel et al. (2007) conducted in the travel sector found that time constraints, lack of interest, and lack of confidence are the main barriers in creation of UGC.

In general, lurkers have mainly a lesser sense of community in comparison with posters (79.2 vs 26.3%); they think to be able to satisfy their needs without directly participating in the community. As a result, they express a lower level of satisfaction compared with posters (Nonnecke et al. 2004). The study of Yoo and Gretzel (2012) pointed out that there is no difference between lurkers and posters in the travel sector in terms of gender, education level, and income. On the contrary, social creators are generally younger than lurkers, they are more likely single and employed full-time (Yoo and Gretzel 2012).²⁶ However, research findings on the

²⁵ This period is called by Lee et al. (2006) "zone of lurking" that is, the transition between willing to login and being able to post.

²⁶ A Forrester report (Band and Petouhoff 2010) proposes a classification of posters in: creators, critics and collectors. Creators upload video/audio, publish content, post stories, etc. Critics post ratings and reviews, comment on blogs, contribute to articles on wikis, etc. Collectors are less active: they use RSS feed, add tags to web pages or photos, etc. Other levels of the so-called "The Social Technographics® Ladder" are: joiners, spectators, inactives.

topic are sometimes contradictory due to pattern of use differences according to the type of social media considered.²⁷

Due to the high number and variety of existing social media, users can play different roles at the same time: they can be both lurkers and posters according to the specific social medium. Furthermore, regardless the type of social media, the user may have a diverse level of engagement with the company, the brand, and/or the product. In practice, social media users can be lurkers on LinkedIn and posters on Facebook, or lurkers on a brand community and posters on another.

Given that only a small part of lurkers have no intention to participate in the community from the outset, and that sometimes other barriers determine a lack of interaction, companies could encourage lurkers to participate in their online communities acting on intensity and publicity (Fig. 3.2). On the one hand, firms could try to increase the frequency of participants' activities in the community (for example, publishing engaging posts that create interest). On the other hand, companies could attempt to enhance users' degree of exposure from private to public (for example, asking people to publish the best photo of their holidays). Corporate actions aimed at improving the users' state from lurkers to posters could help overcoming the aforementioned barriers and fears (Bishop 2011) in order to increase users' engagement, enhance positive word-of-mouth, and possibly influence sales. Furthermore, active and exposed community members provide useful information about interests, preferences, and demographics that the company can use to improve and refine market segmentation.

Besides, users' pattern of use of online communities will develop according to the ability of the company to create opportunities of interaction and engagement and sense of belonging to the community.

3.5.2 *Social Shoppers*

The previous paragraph has identified different roles of social media users on the basis of the degree of exposure and frequency of participants' activity. Another possible dimension of analysis of social media users is the propensity to buy. Earlier in this chapter, we have considered social media influence on consumers' behavior and decision making (including purchase decisions). Therefore, social media users are often shoppers. But how can we define a social media shopper? A possible approach is to consider, *sensu stricto*, a social media user as a shopper when the purchase is completed through the social media application (i.e., the corporate Facebook page of a brand). For example, a recent study of PwC (2013) follows this approach and reveals that just 12 % of social media users have purchased an item through social media. Major position in the academic literature

²⁷ The following Sect. 3.5.3 will examine the different users' profiles according to the most popular social media.

considers a social shopper any social media user influenced by the information learned or by the interactions activated on social media who then purchase the product on social media, on another website, or offline in a physical store (*sensu latu*) (Liang et al. 2011; Yadav et al. 2013; Zhou et al. 2013).²⁸

In the present analysis, we share this last approach. On support to this perspective, a recent investigation of Vision Critical (2013) found that 4 in 10 social media users have purchased an item online or in-store after sharing or favoring it on Twitter, Facebook, or Pinterest (38 % of Facebook users, 29 % of Pinterest users, and 22 % of Twitter) (Vision Critical 2013). In particular, Pinterest is the social media that more likely drives spontaneous purchases both online and in-store sales.²⁹ According to Sevitt and Samuel (2013), 41 % of social media users practice the so-called “reverse showrooming,” that is the trend of customers who browse online, and buy offline.³⁰ In fact, on the total amount of people who have purchased a product after sharing or favoring it on the social network, a remarkable part have preferred to purchase in-store (30 % Facebook, 21 % Pinterest, 17 % Twitter).

Some studies identify many profiles of social media users. The survey of PwC (2013) pointed out three behaviors of social media users: brand lovers, deal hunters, and social addicted. Some of them are deeply connected with purchase activity. There is an increasing number of “brand lovers” that follow their favorite brands on social media (38 % in 2012; 33 % in 2011). Among them 53 % go shopping in a physical store daily or weekly and 45 % reports that they make an online purchase once a week, but they are multiple-channel shoppers. In this case, it is clear that even if social media users do not buy directly on the social media page they are loyal customers of the brand. Therefore, the social media communication strategy of a company could affect directly sales. These kind of social media users are interested in new products of the brand (28 %) because they want to try them (17 %) but they are obviously interested also in interacting with the brand (9 %) and with other followers (7 %). The second group of social media users is called “deal hunters.” They are looking for good offers, attractive deals, promotions, and sales (49 %), some of them are also interested in opportunities to participate to contests (16 %). Some analyses conducted in the travel industry confirm that travelers generally compare more than one website to be sure to choose the best deal of the day (PhocusWright 2013) and that multiple channels are considered before deciding

²⁸ Generally, the term social shopping or social commerce is used to describe a new way of commerce mediated by social media that benefits both consumers and firms (Curry and Zhang 2011). It deals with a combination of social media and commercial activities that allows consumers to make decisions interacting with other customers and with firms by means of various social media (Liang et al. 2011; Yadav et al. 2013).

²⁹ The study of Vision Critical (2013) found that sometimes Pinterest users create boards specifically for a purchase decision.

³⁰ The concept “reverse showrooming” is the opposite of the so-called “showrooming” defined by Sevitt and Samuel (2013) as “a phenomenon whereby shoppers visit stores to examine merchandise in person before buying the items online—is viewed as a huge threat to brick-and-mortar retailing”. The study was conducted on nearly 3,000 social media users in North America and the UK.

to purchase (NetComm, Human Highway, Politecnico di Milano 2013).³¹ The third category of social media users identified by the PwC report is “social addicts”. They are very active, definitely they are posters, with generally a very large network of friends. Main motivations for visiting the brand on social media are: interacting with friends or experts for recommendations (26 %), interacting with friends that love that brand and with the brand at the same time (17 %), obtaining feedbacks about a good or bad experience (11 %), searching for products before buying them (9 %), and access to the brand customer service (5 %). This profile maybe is not that of a heavy shopper but of users who, with their behavior, can have a particular influence on the company’s reputation.

Vision Critical (2013) identifies main features that distinguish social shoppers from other social media users. They are young (51 % aged 18–34) and rather equally distributed between men (56 %) and women (44 %). Generally, they are more active and visible Facebook users, and very influential on friend’s purchase choices. They pay attention to value-for-money comparing different offers and stores before purchasing also by means of mobile devices when they are in the store. On the basis of these results, three profiles (tribes) of social shoppers are detected: thinkers, questers and leapers. Thinkers have already thought about purchasing a specific or a similar product and are contemplating about the purchase on social media. Questers have already thought about a specific purchase and use social media to look for it. Leapers have not thought about a specific purchase and are inspired by social media to make purchases. Facebook is the most used social media by Thinkers (60 %) and Questers (24 %) while Pinterest is the most used by Leapers (29 %).

From the results of the previous reports we notice that both lurkers and posters could at the same time be shoppers. Next chapter will propose some strategies to engage social media users with the purpose of encouraging lurkers to actively participate in the community in order to enhance word-of-mouth activity and influence their purchase decisions.

3.5.3 Social Media Users Demographics

Due to the proliferation of social media characterized by diverse frameworks, and variation across consumer demographics, for companies is increasingly important to comprehend popularity, type of users’ profiles, and pattern of use for each media.

Facebook is confirmed to be the dominant social network in both the Web and mobile (Nielsen 2014). A recent study of Pew Research Center (2013) in the U.S. found that 73 % of online adults use a social networking site of some kind and 71 % use Facebook. However, 42 % of online adults use multiple social media platforms.

³¹ The survey “Il Futuro del Commercio” (2013) was commissioned by eBay to NetComm, Human Highway, Politecnico di Milano.

Facebook and Instagram seem to be the most engaging social media: 63 % of Facebook and 57 % of Instagram users log in daily. Other very popular social media resulted from the study are: Twitter, LinkedIn, Pinterest, and Twitter.³² According to Nielsen (2014), Pinterest and Instagram have grown significantly in 2013.

Facebook is used by a diverse mix of demographic groups even though in 2013 people aged from 45 to 54 have increased (+45 %) (BI Intelligence 2013). Other social media have more specific demographic profiles of users. For example, Pinterest is very popular among women (Nielsen 2012) with a college degree or higher and generally high income level. Another social media loved by women is Instagram (68 %) (BI Intelligence 2013). On the contrary, Google + and YouTube are generally preferred by men. The social network for professionals (LinkedIn) is very appealing for adults (it is also the only case for which usage among 50–64 years old people is higher than usage among those aged 18–29) with a college degree or higher, high income level (Pew Research Center 2013), and generally men (BI Intelligence 2013). Young people prefer to share content (text, images, audio, and links) on Tumblr (BI Intelligence 2013).

These demographic trends, that are very dynamic and change with the proliferation of new social media, along with previous statistics about social shopping, could be useful for organizations to better evaluate their audience developing specific social media strategies.

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³² The study conducted by PewResearchCenter (2013) was referred to a subset of social media and did not include other media like Youtube and Google+.

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Chapter 4

Social Media Impacts on Travel Suppliers: Social Media Marketing

Abstract In the light of social media impacts on travelers' behavior earlier analyzed in Chap. 3, this section highlights the effects on travel suppliers. In particular, traditional ways to create customer relationships need to be integrated with new eCRM practices and communication policies. Travel companies able to engage customers and prospects by means of social media can increase word-of-mouth, enhance their web reputation, and eventually influence purchase behaviors. Some examples are provided and discussed.

4.1 Recent Developments in the Travel Distribution System

The travel distribution system has evolved over the last few years, especially because of the advancements in information technology. Changes have regarded both structural and functional aspects with the development of different connection paths between suppliers and consumers, the decline of some traditional types of operators, and the compelling entrance of new players with the use of new communicative and selling tools. Consequently, the sectorial outlook has become more complex and characterized by new dynamics.

As a matter of fact, technology improvements have affected significantly the travel distribution system also in previous decades. In particular, we can identify different development stages of digital travel distribution. A first step consisted in the birth of Global Distribution Systems (GDS) during the 1960s. They linked the Central Reservation Systems (CRS) of each travel operator and made information about travel services and reservations available for travel agents.

Later, in the 1990s the development of the Internet determined a new change in the travel distribution system. Travel suppliers started to develop their own websites in order to create direct connections with travelers and, in turn, new online intermediaries entered the market.

More recently, travel distribution evolution has been affected by the spread of social media, capable to influence the purchasing behavior of travelers and the way

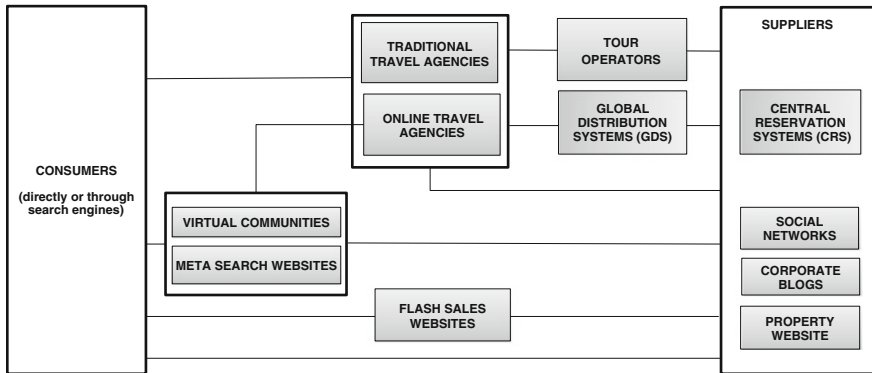


Fig. 4.1 A possible current configuration of the travel distribution structure. *Source* author's elaboration

they communicate with suppliers and with other consumers. New players like virtual communities and meta-search websites have now the power to mediate the travel distribution process, directing consumers' choices toward travel suppliers or intermediaries.

This section has the objective to describe the evolution of digital travel distribution, analyzing new players and ongoing dynamics. In particular, Fig. 4.1 shows a possible current configuration of the travel distribution structure.

Travelers employ direct and indirect distribution channels to book tourism services. Direct bookings entail a direct relationship between tourists and travel suppliers. This relationship can occur by means of simpler and traditional methods (i.e., telephone, "walk-in clients," e-mails) or through property computer reservation systems (i.e., hotel central reservation systems of hotel chains, call centers). On the contrary, indirect distribution channels are characterized by one or more intermediaries that sell the travel services in return for fees. Indirect distribution can be short or long depending on the number of intermediaries involved in the process. Short distribution channels include only one retailer while long ones generally involve several interconnected intermediaries (i.e., travel agents, Global Distribution Systems, and tour operators).

As previously mentioned, the evolution of digital distribution started in the 1960s with the development of Global Distribution Systems (GDS). They are fundamental travel reservation systems that provide information about travel services' (hotels/flights) prices and availability in return for fees. The GDS collect information by Central Reservation Systems (CRS) of each travel supplier (airlines, hotels, etc.) and make them available for travel agents to make bookings and sales.¹

¹ A specific automatic system, called switch, links various GDSs and the CRS of a hotel chain or an airline. The switch transfers data (prices and availabilities) from CRSs to GDSs and vice versa and operates as a translator and transaction processor (Kotler et al. 2010; Mauri 2012). Main GDS are: Amadeus, Sabre, Galileo and Worldspan (the last two owned by Travelport).

In this stage, intermediaries like travel agents and GDS grew very fast and the power shifted from travel suppliers to distribution channels (Thakran and Verma 2013).

In the 1990s information technology progress produced a second step of development of travel digital distribution. The Internet increased the opportunity to reach customers and prospects directly by means of a cost-effective tool. This enabled travel companies of all size (both large and small-medium size firms) to create a direct connection with consumers overcoming tourism intermediaries (GDS and travel agents) and caused the so-called process of disintermediation (Kracht and Wang 2010; Thakran and Verma 2013). As a consequence, travel suppliers started to invest on their websites in order to offer information about prices and availability and sell their services.

However, the reaction to this change was not the same for all the travel suppliers. Some of them, especially airlines and major hotel chains, caught the opportunity of the new tool by means of the development of their own online reservation systems and websites. Other operators, especially small chains and single-unit hotels, had a slower reaction. Therefore, the popularity of the Internet, the spread of booking engines (i.e., Google, Yahoo), as well as the slow reaction of some tourism operators, allowed new intermediaries to enter the market. This created a parallel process of reintermediation that produced a proliferation of new distribution channels (Toh et al. 2011; Mauri 2014). In this stage, online travel agencies (OTAs) (e.g., Expedia.com, Booking.com, etc.) developed quickly and very successfully. These operators are aggregators of travel services that allow consumers to compare prices across multiple suppliers (Venkateshwara Rao and Smith 2006) and to book directly via the Internet. They offer various alternatives to travelers who can combine their own tourism package but, at the same time, they can also propose bundles of different services (e.g., flight, accommodation, car rental, attractions) (Toh et al. 2011).

Also existing intermediaries like GDS were able to adopt and to exploit the opportunities offered by the Internet through the creation of their own OTAs. For example, Sabre controls Travelocity and Lastminute.com, while Travelport manages Orbitz. On the contrary, offline travel agents suffered the spread of new competitors and had to reconsider their role focusing more on specialization and differentiation rather than on mere retail.

The raise in popularity and power of OTAs generated positive effects on brand awareness for some operators but produced also negative effects on price margins due to high commissions to be paid to OTAs and an increase of price competition.

More recently new operators have arisen and contributed to enlarge these effects. They are called flash sales or social couponing and are websites that enable travel companies to promote unsold inventory at large discounts for a restricted period of time with a deadline. Travel companies find these new intermediaries very appealing for attracting new customers, increasing sales, brand recognition, and encouraging repeat business (Dev 2012). However, in order to be selected to promote the offer in flash sales, travel suppliers have to sell at very convenient rates

and have to pay high commissions (from 20 to 50 %) (Dev et al. 2011). The aforementioned reasons create concern about the use of Flash sales operators.²

OTAs have been attracted by this selling model and developed additional deals of the day on their websites. For example Hotels.com provides a specific section called “deals of the day” that offers discounted hotel rooms (up to 50 %) of some selected cities; Orbitz provide “weekly deals” for hotels, flights, cruises, and car rentals.

Therefore, in the light of these evolutions, travel suppliers contend with a progressive significant reduction of their margins (Thakran and Verma 2013). However, more recent changes in IT and especially the development of Web 2.0 have created new opportunities for travel suppliers. An increasing connection of customers to a multitude of devices, real-time booking, personal clouds,³ ubiquitous communication, and peer-to peer market places are changing again the travel distribution structure. This new step of digital distribution is deeply connected with customer engagement technology and the so-called “Social, Context, Mobile-So-CoMo” (Buhalis and Foerste 2013).⁴

Therefore, social web generates new ways to interact directly with consumers. On the one hand, travel suppliers are becoming more familiar with new Internet technologies and are aware of the importance of, at least, having a basic “social presence”. They increasingly have their own website and start to consider seriously the importance of social media. Travel suppliers awareness about IT tools, along with the increasing adoption of social media by travelers during the purchase decision process, produces a growth of direct bookings (Travel Weekly 2012).⁵

On the other hand, new operators enter the travel distribution system. They can be called “mediators” because they do not sell the products but generally the transaction is completed on another website (of the travel supplier or of intermediaries) or offline. These kinds of websites allow travelers to get more information about tourism services: compare prices, read recommendations of other customers, consult the rating and the ranking, learn more about the product, etc. Besides, the chance to go over professional and travelers photos is provided.⁶ Travel “mediators” create additional value for customer, helping them to find the right service and to compare alternatives. Furthermore, even though they are connected with main OTAs, they give additional opportunities to create a direct connection with travelers because they have the power to drive the customer to a specific corporate website (Christodoulidou et al. 2010).

² A focus on specific features and different business models of Flash sales will be presented in Sect. 4.1.2.

³ Personal clouds allow users to collect and integrate information in a centralized virtual place and to access to them anyway and anytime from many devices (laptop, tablet, smartphone). With the development of the “Internet of things” the number of devices increases (i.e., automobiles).

⁴ This topic will be examined more in-depth in Chap. 5.

⁵ This result is confirmed also in other sectors. A recent study of PwC (2013) found that more than a third of U.S. consumers buy products directly from producers.

⁶ The role of hotel photos taken by customers is enhanced by social media like Instagram.

Specific categories of “mediators” among social media are travel review websites (i.e., TripAdvisor) and virtual communities (Lonely Planet). Here travelers can share user-generated content and compare rankings and ratings about a travel company or a destination. Chapter 2 has already examined the increasing influence of these online operators on travel decision making and sales. Aware of this role, TripAdvisor has recently launched new services that allow hotel companies to invest in marketing strategies on the websites. Business listings and TripConnect allow companies to sell directly to TripAdvisor users competing with OTAs.⁷

Another case of third-party websites that increasingly mediate the travel behavior process is that of meta-search websites (e.g., Skyscanner, Trivago, Kayak). They allow web surfers to look for and compare various tourism services (Kracht and Wang 2010): flights, hotels, car rentals, etc. Meta-search websites are operators that enable travelers to compare services provided by both online travel agencies and travel suppliers (airlines, hotels). Travelers can examine ratings, rankings, consult reviews, user-generated content, and most convenient prices published on the web. This step is very helpful considered the large amount of data available on the Net and the need to reduce the number of alternatives in order to reach final decisions.

Another way travel suppliers can employ to establish a direct relationship with consumers and prospects is the use of social media such as Facebook, Twitter, Youtube, corporate blogs, etc. Main objectives companies can achieve are: enrich traveling planning; generate relationships among travelers and between travelers and companies; and stimulate direct sales (Pan et al. 2007; Jansen et al. 2009; Xiang and Gretzel 2010).

Furthermore, travel companies that decide to improve a direct relationship with the consumer by means of corporate websites, and social media should be aware of the importance and the role of search engine optimization (SEO). In fact, travelers increasingly use search engines (e.g., Google, Yahoo, Bing) in order to look for and compare tourism services (Kracht and Wang 2010). Therefore, the company position in the search engine results has become a key strategic element. A survey of PhocusWright conducted in 2013 found that 49 % travelers use search engines to travel planning. Therefore, the travel company should optimize strategic search engine marketing (SEM) transforming search engines in actual hotel distribution systems (Paraskevas et al. 2011).

In this context, the role of intermediaries is becoming even more complex. The development of “social commerce” has generated for OTAs the risk of commoditization (Carroll and Sigauw 2003). Therefore, the mere fact of aggregating travel services might be not enough for the future.

According to a recent report of PhocusWright (2013) travel agencies are approaching slowly to social media if compared with travel suppliers (hotels, airlines, etc.). A survey by the American Society of Travel Agents (2012) pointed out

⁷ Even though TripAdvisor is a travel review website that does not allow the transaction, tourism companies that want to invest in marketing services have to pay a fee in order to improve their visibility and therefore travelers’ opportunities to be directed to their websites. For further insights see Chap. 3 and <https://www.tripadvisor.com/TripConnect>.

that just 39 % of travel agents employ social media in their business processes. Only 15 % of them consider social media essential to their business and a large part are still learning how to use social media (29 %) or have not proven yet to use social media as a marketing channel.

In the light of the previous analysis, new actors that intermediate the travel reservation process can represent a threat for OTAs and an opportunity for travel suppliers. Future developments will probably allow the consolidation of existing actors and new entrants (Christodoulidou et al. 2010). A possible way for OTAs to deal with this changing environment could be to move the focus of their strategy from just selling the best fare or rate to providing the best travel experience thanks to social media and CRM.

Actually, leading OTAs are aware of these trends and are investing in creating large groups covering different businesses of travel distribution by means of acquisitions and alliances. For example, in 2012 Expedia Inc. acquired Trivago, the meta-search website specialized in hotel search, being now composed by twelve companies in various travel businesses.⁸ In the same way, Priceline group, acquired Kayak in 2013 to enhance its brand portfolio.⁹ These business operations demonstrate the interest of OTAs to have some form of control of meta-search business. Moreover, to face the competition of Flash sales operators, OTAs are improving discounted deals of the day and working on opaque pricing (i.e., Lastminute.com, Priceline, Hotwire). Expedia, for example, launched in 2012 “Expedia coupon club” a service that allows all registered customers to the usual newsletter to access special discounts. The difference with other clubs is represented by the main focus on price rather than on other rewards.

However, it is important to underline that travel suppliers opportunities to develop direct connections with customers and to increase direct sales depend strongly on the features of different travel businesses and suppliers. For example, large international hotel chains and groups are moving in this direction but we have to consider that, in some countries, the hotel sector is mainly composed by small-medium size companies that struggle to adopt new technologies and do not have the financial dimensions to make the related investments.

4.1.1 The Role of Social Media in Travel Distribution

In the light of the complex travel distribution system examined in the previous section, it is useful to identify possible actions that both travel suppliers and OTAs, as well as Flash sales operators can employ to exploit the opportunities offered by social media.

⁸ Expedia Inc. revenue in 2013 was 4.8 billion dollars for more than 146 million room nights sold (gross bookings \$ 39.4 billions). The first quarter 2014 presents a growth of revenues (19 %), gross bookings (29 %), and room nights (24 %). For more information see the Annual Report 2013 and the corporate website (www.expediainc.com). Retrieved April 2014.

⁹ The Priceline Group brand portfolio is composed by five brands: Priceline.com, Booking.com, agoda.com, Kayak, and Rentalcars.com. See <http://ir.pricelinegroup.com/>.

Concerning travel suppliers, IT and social media can represent a way to create direct relationships with customers and prospects by means of corporate websites (of the company and/or of the group) and through social media pages (i.e., Facebook, Twitter, Pinterest). Specific actions can be operated to manage customer relationships and to attract prospects to corporate websites, overcoming intermediaries.

An interesting case is that of the hospitality industry. In particular, strategic alliances among hotel companies are producing large multi-branding groups that are investing in Customer Relationship Management (CRM) actions and developing reservation systems to reach directly customers and prospects. For what concerns CRM practices, they are integrating their loyalty schemes (as previously made by airlines) in order to promote and facilitate direct bookings.

For example, the “Starwood Preferred Guest” (loyalty program of the Starwood Group) rewards customers with the lowest available rate only for direct bookings made on the group website. Furthermore, hotel groups and chains are creating their own hotel reservation systems. This is the case of Room Key, a hotel booking engine developed in 2012 by Choice Hotels, Hilton, Hyatt, InterContinental, Marriott, and Wyndham. This reservation system enables travelers to easily compare rates, hotel features, and reviews of all the properties involved. Reward points are earned only in case of direct bookings on the Room Key website. Different loyalty schemes have been integrated in order to allow travelers to redeem points from all the hotels’ members of the Room Key partnership. The objective is clearly to establish a direct relationship with travelers through a specific focus on service personalization and rewarding schemes.

Apart from being mediators that influence travelers’ choices, social media represent also an actual distribution channel if properly connected to the corporate website. For example, hotels and airlines can upgrade their Facebook pages with a specific plug-in that allow users to check availability and prices directly on Facebook.

Social media can influence also travel intermediaries: OTAs and Flash sales operators. In these cases, social media represent both a threat and an opportunity: a threat because they can mediate the travel purchase process directing travelers to suppliers (corporate website, social media page, etc.). At the same time, social media constitute also an opportunity to engage travelers.

We can identify some possible actions that Flash sales and OTAs can practice. Flash sales, the most recent players of the travel distribution system, are very heavy users of social media; they are able to make deals visually appealing and to encourage conversations among members by means of viral marketing strategies. In fact, sharing functions and incentives are particularly used by these operators. A more in-depth analysis of flash sales features, classification, and strategies will be discussed in next section.

On the contrary, generally speaking, OTAs are adopting more slowly social media practices. These operators could take advantage of social media and improve their ability to value-creation and personalization. The development of CRM practices could be useful to create long-term relationships with customers, and stimulate sales. Moreover, these actions can be useful also in order to compete with new online intermediaries and to avoid being bypassed by travel supplier, that are increasingly aware of social media opportunities.

Among various OTAs, interesting example in this direction are those of Expedia and Hotels.com (brands of Expedia, Inc.). They both have loyalty programs: “Expedia Rewards” and “Welcome rewards.” In practice, Expedia Rewards enables travelers to earn points for all bookings (hotel, flight, package and activities) made on Expedia.com. In the case of Hotel.com, Welcome Rewards members are awarded one free hotel room night¹⁰ after having booked 10 overnights. Hotels.com has been recognized by eDigitalResearch as the 1st website with a score of good/excellent in four out of six customer journey stages.¹¹ Furthermore, Expedia is very active also in developing online customer relationships and customer care by means of a multiple customer support composed by: a toll-free number, an e-mail service, an online chat and, finally, the opportunity to have a call at a number provided by the customer.

4.1.2 A Focus on Flash Sales and Social Couponing

Flash sales emerged in the early 2000s and spread over with the development of social media. Over the last few years travel organizations, mainly hotels, restaurants, and resorts, have started to find flash sales attractive and have incorporated the new channel in their distribution strategy.

The business of flash sales started with “generalist” websites that offered a variety of products and services, included tourism services. Groupon can be considered the leader in this business and contributed to the popularity of the model. A study of Piccoli and Dev (2012) found that, even if travel and tourism account only 3 % of total number of deals, it represents the third largest category, that produced (in 2011) 11 % of overall daily deal industry revenues. The increasing revenues offered by the travel industry obviously create a great interest on the topic. As a result, over years flash sales operators have decided to invest more in travel services and new operators specialized in tourism and hospitality have arisen. For example, in 2011 Groupon created a specific section on travel named “Gateways,” in partnership with Expedia for North-America.¹² Another similar case is that of Living Social with “Escapes” section. Moreover, since 2009 many of well-known specialized travel flash sales have started their activity. Some examples are Jetsetter, Vacationist, SniqueAway.¹³

¹⁰ The rate of the free night is the average rate spent in the 10 previous paid nights. For more details see http://uk.hotels.com/customer_care/pillar/welcomerewards.html.

¹¹ eDigitalResearch is a company that provides assessment of the web experience in travel planning from a customer perspective and step by step. The following customer journey stages are analyzed: first impression, initial research, search, search result, booking process, and customer contact. For further insights see <http://www.edigitalresearch.com>.

¹² The partnership between Groupon and Expedia for “Getaways” daily deals in North America was downgraded during the first months of 2014.

¹³ The travel flash sales brand SniqueAway owned by Tripadvisor has been turned into Jetsetter after its acquisition in 2013.

Flash sales business is in constant evolution. Different operators and business models are emerging. The core idea is to offer customers various promotions of short duration (deals-of-the-day) providing a substantial discount (generally 40–60 %) to the official price (Byers et al. 2012).

Flash sales operators in the travel sector can be classified in two categories: daily-deal websites (i.e., Groupon, LivingSocial) and private sales websites (i.e., Vacationist, VoyagePrivé). In the past, a main difference between these two kinds of models was the subscription policy: daily-deal websites required only a free subscription while private sales required some form of membership or invitation. Over the years, this difference has progressively diminished due to an increasing possibility to free register on the website.¹⁴ For example, VoyagePrivé and Vacationist have recently switched from a model based on invitation requirements to free online registration. This obviously had an impact also on the perspective of high-quality level companies (i.e., luxury hotels and resorts) that in the past have preferred to use private sales rather than daily-deal websites to avoid exposing their brands to mass market (Piccoli and Dev 2012; Dev 2012).

Therefore, which are the main differences between daily-deal websites and private sales? Daily-deal websites are based essentially on the model of group-buying. This means that a minimum number of buyers is necessary to activate a specific promotion/deal. The deals cover a variety of goods and services such as restaurants, salons, fitness centers, electronic devices, etc. (Park and Chung 2012).¹⁵ They vary according to geographic markets, or cities. During the subscription the user is asked to specify one or more cities. Actually, this feature is useful especially for local services such as restaurants, wellness centers, beauty services, house-keeping, medical services, etc. Therefore, companies that sell by means of daily-deal websites can differentiate their strategies according to the macro-area (North America, Germany, France, Italy, etc.) and on the basis of the location indicated by the subscriber (micro-area).

In practice, daily deals subscribers and past customers receive everyday an email about the deals of the day. Many flash sales websites are expert promoters of the deals also through social media (especially social networks) with the clear intent of encouraging customers to activate word-of-mouth. For example, LivingSocial offers the deal for free to customers who share it with friends; Vacationist encourages members to invite friends rewarding them with 25 dollars after the friend's first purchase.¹⁶

The offer is activated when the minimum number of people required joins the deal (what Groupon calls “tipping point”). Sellers may set a maximum threshold size to limit the number of coupons that can be purchased (Ye et al. 2011). When the tipping

¹⁴ Sometimes customers can display the deals even without a real subscription but only indicating the e-mail to receive the newsletter.

¹⁵ Byers et al. (2012) classify deals in the following categories: arts and entertainment, automotive, beauty and Spas, education, food and drink, health and fitness, home services, nightlife, professional services, restaurants, shopping and travel.

¹⁶ At the same time the friend, new member, will receive 25 dollars.

point is reached, the customer's credit card is charged and the electronic voucher (coupon) is sent to the purchaser. At the same time, the travel supplier will receive the agreed revenue and will redeem the vouchers according to the terms of the deal.

If daily-deal websites are generalist operators that sell also travel, private sales offer some examples of specialized travel operators. Generally speaking, private sales include (Piccoli and Dev 2012): retail-oriented sites, travel-only sites, online travel agents sites. In the first case, travel is only a category among others, in the second, operators are specialized in travel (i.e., hotels, resorts, etc.), and in the third OTAs launch their own flash sales on the official website.¹⁷

Private sales business model is mainly based on a user registration that can be on invitation or free. After the subscription, users receive periodic e-mails that notify the discounted time-limit offers. The discount usually starts from 30 % and the range of time is generally one week. Moreover, differently from daily-deal websites, the deals do not have generally a minimum activation level.

Due to the various operators that belong to private sales, the business models can be slightly different (Piccoli and Dev 2012; Dev 2012). Some deals can refer to fixed dates while others can let the purchaser choose dates in a period of time that can cover several months. Sometimes deals are nonrefundable while in other cases cancelation policies are offered. An interesting example is that of TripAlertz, a hybrid model between private sales and group buying that focuses on dynamic pricing: the discount on hotel rooms increases according to the number of customers that sign up the deal.¹⁸ The more the travelers book the rooms, the lower the price goes. This mechanism increases also the use of social media by users to promote the deals to friends because more friends one gets to sign up, the more money he or she can save (Mauri 2012).

We can identify various motivations that drive travel suppliers to employ Flash sales sites. They are generally used by hotels to reach a higher number of customers, increasing occupancy, revenue and profit, and to enhance customer awareness (Kimes and Dholakia 2011). Piccoli and Dev (2012) investigated some experts from five continents and found that branding and customer acquisition are the main reasons to use flash sales as distribution channel in tourism followed by profits and revenue optimization. The cited study of Piccoli and Dev (2012) pointed out that costs (high commissions) are one of the main reasons of not using flash sales operators. Other motivations are: negative brands effects, misalignment with target segments, and ignorance about how they work.

Other authors studied the case of Groupon and found some critics on the effectiveness of daily-deal websites mainly related to unprofitability, unsure customer loyalty, and attractiveness for actual target markets (Dholakia 2010; Edelman et al. 2011).

Concluding, despite the criticism about flash sales, they are increasingly considered by travel suppliers to sell their products, especially to increase occupancy,

¹⁷ Some examples have already been examined in the previous section (Hotels.com).

¹⁸ The topic of dynamic pricing will be examined in Sect. 4.7.

brand awareness, and to allocate unsold inventory. Even though commissions are particularly high, they represent an alternative model to OTAs. In addition, the proliferation of new flash sales websites and business models gives tourism operators the opportunity to differentiate the deals offered. The ability to choose the right operator for the right customer can give more opportunities to reach specific target segments rather than the mass market. For example, a hotel chain could create a deal for a romantic weekend in a European city to be sold on Groupon Gateways and a longer holiday in a resort for Voyage Privé. Moreover, the ability of flash sales in activating sharing and viral marketing by means of social media is for sure a useful issue especially when the objective is brand awareness.

What emerges from the literature cited before is the necessity to manage flash sales as another distribution channel of the mix. Therefore, companies should have clear in mind the objectives of selling on flash sales, and consequently analyze the different models to understand which one suit with them. Other important decisions to be taken are: the kind of offer (features, price, etc.), the quantity of rooms (hotel)/seats (restaurant)/tickets (museum, amusing park, etc.), and the time window (a few days, a week, etc.). In particular, concerning the first aspect, the uniqueness of the offer is designed in order to protect the company from cannibalization of existing customers. However, the medium-term effect of the recurring use of these tools might be examined by ad hoc further research.

4.2 Social Media Approaches for Travel Companies

The growing popularity of social media over the last few years has increased the interest of both practitioners and academics on their communicative and commercial applications.

The previous analysis of the travel distribution system identified a more and more crowded and competitive environment. Therefore, firms debate, in particular, on the way they can optimize the use of social media in order to communicate with customers, attract prospects, and improve sales.

Observing the various ways travel operators employ social media, it is possible to point out different approaches, moving from very simple and even shallow methods, to more complex, integrated, and pervading ones.

According to our opinion it can be useful to map the different approaches on the basis of two relevant dimensions:

- customers' degree of engagement;
- level of integration between social media and business strategies.

The degree of engagement has been identified as a variable because it has been recognized to have the power to drive customers' behaviors (van Doorn et al. 2010; Sashi 2012; Wirtz et al. 2013). Next section will offer a brief overview of the customer engagement concept.

The second variable (level of integration between social media and business strategies) has been identified in order to understand both the extent and the integration within the overall strategic behavior. In some cases, social media represent a key business tool while in some others they are more likely a “must have” rather than really a trusted instrument.

Despite their popularity among customers, firms show generally some difficulties in integrating social media with sales and marketing strategies (i.e., sales and marketing, revenue management) (Varini and Sirsi 2012), as well as with the overall corporate strategy. A survey published by Harvard Business Review (2010) found that a very small part of interviewed companies have formalized social media strategies and, even in those cases, companies report difficulties in integrating them with the rest of the business strategy.

Even if the literature pointed out that we are far from a real integration of social media and business strategies, research increasingly stress the need of an Integrated Marketing Communication (IMC) approach that includes social media in the communication mix (Mangold and Faulds 2009; Noone et al. 2011; Kimes 2011). Furthermore, the opportunity to real-time learning by social media users helps firms to align their strategies with those of competitors and to improve the overall business strategy.

4.2.1 A Focus on Customer Engagement

Before going on with the analysis of various approaches employed by travel companies to use social media, we believe it is useful to examine in-depth the topic of customer engagement, that results increasingly popular in both academic literature and business reports.

The development of IT, from Web 1.0 to Web 2.0, has generated a change in the way firms communicate with customers on the web: from one-way communication, mainly aimed at giving information, to two-way communication, based on the attempt to create interactions, long-term relationships, and customers’ engagement.

The concept of customer engagement has its theoretical foundations in the service-dominant logic (Vargo and Lush 2004) and its popularity has increased due to recent evolutions of relationship marketing linked to new technologies opportunities. In particular, social media applications allow to easily create relationships with customers (encouraging long-term relationships and loyalty) and with prospects (generating awareness). However, customer engagement extends the traditional concept of relationship marketing (Brodie et al. 2011) and “seems to go beyond awareness, beyond purchase, beyond satisfaction, beyond retention, and beyond loyalty” (Sashi 2012).¹⁹

¹⁹ The evolution of relationship marketing will be examined in Sect. 4.3.1.

Customer engagement can be defined as “a psychological state that occurs by the virtue of interactive, co-creative customer experience with a focal agent/object (e.g., a brand) in focal service relationships” (Brodie et al. 2011). According to van Doorn et al. (2010) and So et al. (2012), customer engagement is the customers’ behavioral manifestation (both positive and negative) toward a brand, product, or firm (beyond purchase) that results from motivational drivers. Therefore, companies that foster customer engagement should focus on “satisfying customers by providing superior value than competitors to build trust and commitment in long-term relationships” between buyers and sellers (Sashi 2012).

The ability of a company to engage consumers can produce some positive effects on business. In fact, engaged customers are more likely to go on participating in the community, they are generally more satisfied and they show higher trust and commitment toward the community (Wirtz et al. 2013). Kumar et al. (2010) argued that customer engagement value depends on four core dimensions: the transactions (customer lifetime value), referring behavior (customer referral value), customer encouragement of other individuals to make a purchase (customer influences value), and feedbacks to the firm for ideas and product improvements and innovation (customer knowledge value).

Therefore, customer engagement affects longevity of customers’ participation, increases satisfaction, and brand loyalty (So et al. 2012) that, in turn, increase positive eWOM in the community and then enhance further community engagement. Moreover, committed members are more likely to develop positive attitudes and behaviors toward the company/brand/product. For example, they can give ideas to improve or create new products or services (Sigala et al. 2012), and to improve brand image and reputation by means of WOM activity; finally, they can become loyal customers and increase purchases.

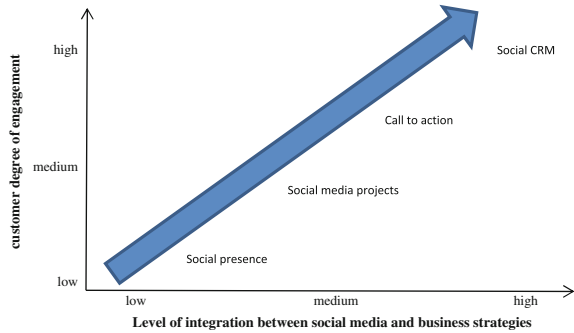
On the basis of the possible benefits that customer engagement may produce, travel companies should employ the right mix of social media in order to generate customers and prospects engagement.

But how can companies try to stimulate customer engagement? Which are the antecedents of this behavior and psychological state?

Especially, affective commitment (Gustafsson et al. 2005) and social/customization bonds (Zeithaml et al. 2012) can lead to long-term relationships and create engagement. However, the degree of relational exchange and emotional bond between customers and firms and among customers can change over time. We can identify different stages that consumers may undertake to reach engagement (Sashi 2012): connection, interaction, satisfaction, retention, commitment, advocacy, and engagement (customer engagement cycle). Engagement occurs when both emotional and relational bonds are strong.

Social media offer travel suppliers the opportunity to build emotional bonds and intimate relationships during the conversation engaging both customers and prospects. Some possible actions could be to set up a social network page, to create a corporate blog, to post content on content communities or wikis, to participate in travel blogs and to reply to online reviews, etc. All these activities have different objectives and, if properly managed, can help companies to engage social media

Fig. 4.2 Social media approaches. *Source* author’s elaboration



users. Results of these practices depend on companies’ ability and commitment toward the creation of emotional and relational bonds with customers and prospects.

4.2.2 Social Media Approaches

On the basis of the previously mentioned two variables (customers’ degree of engagement and level of integration between social media and business strategies), the following four approaches can be identified to describe how companies employ social media: social media presence, social media projects, call to action, and social CRM (Fig. 4.2). They can be considered as four steps of a continuum that leads companies from social media presence to a fully integrated strategy aimed at learning from customers and creating customer engagement.

Generally the entering stage of a social media strategy is “social media presence.” In this case, companies work on brand awareness and on content-creation to support existing marketing strategies without a full connection to them. Firms in this stage does have not a definite project for each social media and unlikely develop metrics in order to monitor strategies results. A clear example is represented by a firm that has a website and a page on main social media. Considering the statistics analyzed in Sect. 3.5.3 that confirm Facebook to be the dominant social network in both the Web and Mobile, the advisable social media to start with could be Facebook. This approach is mainly informative and promotional. Due to the low level of interactions with social media users and lack of web reputation control, the choice of maintaining only a social media presence for a long period of time could imply some risks.²⁰

An improvement respect to the previous approach is determined by the development of “social media projects” for multiple social media in order to engage users by means of two-way interactions and conversations. Generally, companies in this step develop their own blogs and are more active in connecting various social media. They start monitoring web reputation with some degree of analytics

²⁰ For more details see next sections.

(Facebook Insights, Google analytics, TripAdvisor, etc.), in case replying to online reviews (i.e., TripAdvisor), and improving social customer care.

The third social media approach considers social media as an instrument to “call to action” engaged users. This means ask for their collaboration and driving them to shopping (online or offline). Some travel companies develop contests or special offers, as well as specific “book now” functions that enable customers to book directly in the social media environment by means of a specific plug-in. In this last case, only when users have decided and proceed to book or purchase they will be transferred to the company’s website. This approach considers social media as distribution and communication channels that support and integrate the marketing strategy. Specific offers and pricing policies are studied for each social media over time.

The fourth approach, that we can call “Social CRM,” considers social media and business strategies as fully integrated. Social media are employed to learn about customers and prospects (customer profiling), trying to understand possible opportunities or threats coming from the market. For example, the study of social media consumer-generated information could help travel companies to develop targeted push strategies (promotions and pricing) or to understand the most appropriate distribution channel management strategies. The action of continuous listening and learning allows companies to give real-time responses and services, aligning their strategies with those of competitors. Moreover, this approach gives the opportunity to tune in with customers and prospects needs in order to co-create value.

Despite the increased use of social media by customers, a large part of companies are in the first level of social media strategy. A survey published by Harvard Business Review in 2010 found that 79 % of companies use or plan to use social media. However, the majority of surveyed firms said they are not fully aware of the best ways of using them. A large majority of companies stated that they currently have a social media page (85 %) and that they are using it to promote brands, products, and other service (87 %) or to provide customers a way to interact (76 %). Many organizations view social media as one-way flow marketing messages, instead of a way to create conversations with consumers and prospects. They are searching ways to demonstrate the effectiveness of these instruments but only one-quarter of organizations said they monitor the customers that are “talking” about them. Finally, only 23 % use any form of social media analytic tools and only 5 % are using some forms of customer sentiment analysis.

Similar results were also found in the travel industry. Social media are generally considered by managers as instruments to reach customers but rarely they are part of the overall business strategy (Law and Jogaratnam 2005; Law et al. 2008). Moreover, social media pages are used sometimes as promotional instruments rather than as a way to create interaction and engagement. A study conducted by Minazzi and Lagrosen (2013) on Facebook usage among European hotel chains demonstrated a more promotional focus of hotel brands analyzed.

Sometimes the unawareness about return on investment of “social commerce” and measurement difficulties stop investment in social media strategies development and web reputation monitoring. Recent instruments that allow companies with a corporate page to export statistics about their users (e.g., Facebook Insights) help to

reduce concern. In the same way, search engines give similar opportunities to track web traffic (e.g., Google analytics).²¹

Next sections will examine main theoretical and practical concepts that can help companies to develop their social media approaches from Social media presence to Social CRM.

4.3 New Ways of Interacting with Customers: From Information to Conversations

The spread of social media as a new form of communication contributes to a shift of paradigm from one-way communication to two-way communication. Social media users expect to interact with firms and with other members of a community, sharing content and experiences. Therefore, companies should consider the risk of a “passive” social media presence. This means to have a company page on main social media, generally not connected with the business strategy, without a clear idea on how to manage them. On the contrary, a quick improvement of social media presence could be advisable in order to enhance customer interactions, relationships, and engagement.

In order to better understand the possible paths a company can undertake to establish and to improve online relationships with customers and prospects, next sections will briefly examine the developments of relationship marketing theory, with particular reference to the most recent influence of Information technology (IT) and social media.

4.3.1 Relationship Marketing

Research on the topic of Relationship Marketing (RM) grew in the 1980s with the development of services marketing studies,²² the network theory, and business-to-business marketing (Hakansson and Ford 2002). RM determines a shift of paradigm from transactional marketing, based on a dyadic relation between suppliers and customers, to a wider and systemic approach that considers the opportunity of customer retention through a proper management of interactions into networks of relationships (Vargo and Lusch 2004).²³ According to this stream of research, core variables of marketing are: relationships, networks, and interactions (Gummesson 2002).

²¹ The topic of social media metrics will be discussed in Chap. 6.

²² For further insights about services marketing see Grönroos (1994), Palmer (1998), Lovelock and Wright (1999), Bateson and Hoffmann (2010), Eiglier and Langeard (2000), and Zeithaml et al. (2012).

²³ Invernizzi et al. (2011) conducted a review of literature of main academic studies on the topic: Web 2.0 technologies in communication and public relations. According to the authors the adoption of a network-based perspective can help organizations to comprehend the complexity of interrelations between stakeholders in a socially mediated environment.

There are many definitions of relationship marketing, mainly focused on the development and maintenance of long-term relationships with customers and other stakeholders (Christopher et al. 1991; Morgan and Hunt 1994; Grönroos 1997, 2000a, b). Relationship marketing was conceptualized for the first time by Berry in 1983 in the field of services marketing as “attracting, maintaining and-in multi-service organizations-enhancing customer relationships” (Berry 1995). According to Christopher et al. (1991), an effective management of customer relationships allows companies to enhance long-term profitability, increasing customer retention.

The introduction of relationship marketing affected both marketing theory and practice leading to a change in the very definition of this concept. In fact, right now the prevalent approach in the literature defines marketing as the process of identifying and establishing, maintaining, and enhancing relationships with the customer and other stakeholders, at a profit, so that the objectives of all parties involved are met (Morgan and Hunt 1994; Sheth and Parvatiyar 2002; Grönroos 1997; Kotler et al. 2010). The most recent definition of marketing proposed by the American Marketing Association (AMA)²⁴ recognizes the importance of customer-to-customer exchange of value. This overcomes the approach that sees the company as the manager of relationships that delivers value “to” and not “with” customers (Gummesson 2006). The definition of 2007 is characterized by a more inclusive approach in comparison with the previous one of 2004, even though, for some extent, it limits the power of the relationship marketing approach (removing the term “customer relationships”).

The company is influenced by a great deal of market relationships and many of them are beyond the control of the marketing and sales department (Gummesson 1999; Gummesson 2002).²⁵ Therefore, the relationship value is based on a continuous dialog among all company’s partners within the whole organization that creates new knowledge (Grönroos 2000a, b) and that transcends the boundaries of marketing and sales (Gummesson 2002). Considering this, Gummesson conceptualizes a definition of relationship marketing based on a systemic approach: “Total relationship marketing is marketing based on relationships, networks and interaction, recognizing that marketing is embedded in the total management of the

²⁴ American Marketing Association keeps updated the definition of marketing. The most recent evolution is the change from 2004 to 2007:

- AMA Marketing definition (2004) “marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders;
- AMA marketing definition (2007), “marketing is the activity, set of institutions, and processes for creating, communication delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

For an in-depth comparison of 2004 and 2007 marketing definitions, see Dann and Dann (2007).

²⁵ Gummesson (1999) identifies two kind of relationships: relationships to public authorities, the media, and other entities in society that exert influence on market behavior (mega relationships) and internal relationships in a company (nano relationships).

networks of the selling organization, the market and society. It is directed to long term win-win relationships with individual customers, and value is jointly created between the parties involved. It transcends the boundaries between specialist functions and disciplines” (Gummeson 1999).²⁶

Scholars agree on a few properties to evaluate relationships: trust, satisfaction, and commitment are the most considered (Gruen 1995; Bauer et al. 2002; Gummeson 2006; Lagrosen and Svensson 2006). Trust is the confidence that one party demonstrates in the other party’s reliability and integrity (Morgan and Hunt 1994; McKinght et al. 2002; Bart et al. 2005; Urban et al. 2009); satisfaction is the result of the comparison between expectations and perceptions (Oliver 1980, 1993; Zeithaml et al. 1985; Liu and Arnett 2000); and commitment is an enduring desire to maintain a valued relationship with the other party (Morgan and Hunt 1994). Other authors include also personalization (Miceli et al. 2007; Montgomery and Smith 2009) and involvement as a dimension able to influence customer satisfaction and, consequently, customer loyalty (Oliver 1980; Sanchez-Franco 2009).

Therefore, the value of the relationship will be determined by the company ability to create trust, satisfy customers, and stimulate commitment by means of involvement and service personalization.

4.3.2 Online Relationship Marketing

In recent decades, interest in relationship marketing has increased due to a greater recognition of its benefits to both firms and customers, as well as thanks to the rapid advances in information technology (Berry 1995). The progress of IT and social media offers companies the opportunity to develop dynamic relationships and interactions with customers from the very first stages of the product development. As a consequence, consumers can take part in the value-creation process (co-creation), personalizing their experiences through interaction and dialog (Prahalad and Ramaswamy 2004).

According to our opinion the word “conversation” better describes relationship marketing in the online environment. Companies can manage relationships with their customers but, at the same time, also with prospects. In turn, both customers and prospects can interact with each other and with firms. All the community is involved in the communication process and in content generation and value creation.²⁷

The opportunity to communicate online with a large number of individual customers and prospects creating personalized relationships can positively affect companies’ performance. This is confirmed by some studies conducted in the

²⁶ For a detailed review of relationship marketing definitions see Gummeson (2002).

²⁷ According to Moretti and Tuan (2013) Social media marketing is part of Relationship marketing and both have the strategic perspective of co-creation of value.

hospitality industry that found a positive connection between the ability of companies to initiate and encourage relationships and dialog strategies on the Web and their level of success (Romenti et al. 2011).

Moreover, IT and social media evolution offers companies the opportunity to gather and process a large amount of customer information, and improve the ability to learn from these data, thanks to the advances in data warehouses and data mining softwares. A current central issue concerns how to manage the tremendous growth of available information that sometimes is not proceeded and analyzed to take business decision.²⁸

4.3.3 Customer Relationship Management

Relationship marketing theory is linked to the concept of customer relationship management (CRM) and, to such an extent, sometimes they are considered synonyms by academic scholars (Parvatiyar and Sheth 2001). However, CRM is generally more used to describe a set of techniques, usually IT solutions, that enables to generate long-term relationships with the company's stakeholders (Ryals and Payne 2001; Payne and Frow 2005). Therefore, CRM joins the potential of relationship marketing and IT with the aim to "collect, analyze and exploit guests' knowledge for creating personalized services and experiences that solve individual guests' problems" (Sigala and Christou 2006).

By learning about customers' needs and features, and collecting this knowledge for use, companies can customize the service (Berry 1985). In practice, firms look for and store relevant guests' information in data warehouses in order to make them available in the whole organizations. This requires "a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications" (Payne and Frow 2005). Moreover, a front-line information system is particularly important for the effectiveness of CRM strategies (Parvatiyar and Sheth 2001).

Literature offers conflicting results about the relationship between CRM technology and organization performance.²⁹ A study of Mohammed et al. (2014) in the hotel industry demonstrated that CRM becomes a source of competitive advantage only when CRM technological resources are integrated in marketing competencies (planning and implementation). In practice, CRM technology helps companies to plan and implement effective marketing actions with the aim of improving the companies' ability to maintain profitable relationships with customers.

²⁸ This topic will be examined in Chap. 6.

²⁹ For a literature review on the relationship between CRM technology and organization performance consult Mohammed et al. 2014.

Well-known examples of customer-oriented IT solutions to manage customer relationships in tourism are frequency marketing programs such as frequent flyers/guests programs and reward/fidelity cards.

4.3.4 Electronic Customer Relationship Management in Tourism and Hospitality

IT advances and Web 2.0 generated an extension of the traditional concept of CRM, increasingly integrated by the Internet opportunity to facilitate customer interactions.³⁰

The term Electronic Customer Relationship Management (eCRM) has been coined to define relationships management by means of IT solutions or on the web (Gummesson 2006; Sigala and Christou 2006). The objective of this practice is to engage with consumers by means of collaborative conversations for the creation of co-produced experiences. A proper Social CRM strategy can generate interesting benefits for travel companies: increase the value offered to customers and to prospects, decrease advertising costs, encourage loyalty, and promote favorable WOM.³¹

CRM applications to tourism and hospitality have been studied by both scholars and practitioners. In recent years, research has considered especially the online environment and, in particular, the propensity of travel companies to interact with customers on the web, as long as the antecedents of this behavior.

Gan et al. (2006) investigated the Singapore hotel sector with the aim to study how the Internet is used to manage customer relationships. They classified CRM in four levels: information provision, database collection, personalization, and community relationships. Results indicated that Singapore hotels were mainly in the stage of database collection and that the propensity to employ CRM strategies was positively related to company's star rating and dimension (number of rooms). Other studies confirm the existing connection between company's dimension (size) and its development of online strategies and interactions (Arnott and Bridgewater 2002; Sigala 2001; Gilbert et al. 2002; Bai et al. 2006; Romenti et al. 2011). Especially companies that focus on brand (members of a hotel chain) are more likely to adopt and develop IT (Wang and Qualls 2007; Scaglione et al. 2005) and invest more in social media to create online relationships as a way of strengthening their brand (Lagrosen and Josefsson 2011). The connection between a company's quality level, as an antecedent of IT adoptions, and online interactions orientation is resulted to be more conflicting: some scholars confirm the relationship between quality level

³⁰ CRM strategies in the online environment are also called CRM 2.0, Social CRM or Electronic Customer Relationship Management (eCRM) (Gummesson 2006; Sigala and Christou 2006).

³¹ Concerning the last issue, Villanueva et al. (2008) and Trusov et al. (2009) found that customers acquired through electronic word-of-mouth (eWOM) add more long-term value to the firm than customers acquired through traditional marketing channels.

(Scaglione et al. 2005) and company's relationship orientation (Sigala 2001; Schegg et al. 2002; Romenti et al. 2011), whereas other authors found that economy hotels demonstrate to have more interest in creating online customer relations (Essawy 2005; Lagrosen 2005; Minazzi and Lagrosen 2013).

Other academic studies pointed out a more informative purpose of the website rather than a dialogic online orientation in the hospitality industry. In particular, Sigala (2005) analyzed eCRM operated by Greek tourism companies and found a more defensive than proactive focus in the use of eCRM instruments. The same approach resulted from another study of Romenti et al. (2011) who examined the relational and dialogic orientation of Italian hotel companies in the Milan area.³²

Therefore, ICT solutions are widely adopted by the travel industry but mainly at the level of having a PC and being connected. Anyway, the experience varies according to the type of business (travel agencies, hotels, restaurants, etc.). For example, hotels use intensively hardware, software, and the Internet connection for booking services while restaurants are more familiar with mobile devices and electronic cash (Gil-Saura et al. 2012). Moreover, Web 2.0 and its applications are sometimes underestimated due to a lack of knowledge about social media practical instruments.

The reported studies conducted in the travel sector pointed out how tourism organizations, especially small- and medium-size firms, should work to improve their ability to manage online customer relationships as it could be a valuable way to compete with larger hotel chains and groups. A recent study conducted in the Hong Kong hotel industry tried to give a motivation to the slow adoption of Web 2.0. (Leung et al. 2011; Leung et al. 2012). They concluded that it could depend mainly on a misleading perception of hotel managers related to the benefits that IT instruments can realize for the company. Indeed, IT and social media are often considered by hotel managers only as instruments to reach customers rather than a part of the entire business strategy (Law and Jogaratnam 2005; Law et al. 2008; Milano et al. 2011). This could be caused also by the aforementioned possible lack of knowledge about social media instruments.

Therefore, in the light of previous research on the topic, travel companies should also try to improve their knowledge about social media (classifications, instruments, etc.) to better exploit their opportunities and to create long-term relationships with actual customers and prospects.

³² Romenti et al. (2011) identified two clusters: a design and technical cluster, which includes dimensions considered essential for the activation and development of dialogic relations (accessibility, ease of interface, usefulness of information and usefulness of service); and a dialogic cluster, which includes the dimensions that stimulate continuous dialogue and relationships (generation of return visits and dialogic loop).

4.3.5 Social Media Customer Care

A way companies can employ to manage online customer relationships is “Social Media Customer Care” (SMCC). This means to provide customer care and customer interactions by means of social media. According to a survey conducted by Nielsen (2012), nearly half of U.S. interviewed consumers prefers social networks to interact with brands and service providers (learn more about products, compliment brands, complaining about a product/brand). Facebook is the preferred channel to have access to social care and to ask for information, responses, and complaining.

With the development of IT and social media, human relationships (h-relationships) are increasingly integrated by electronic relationships (e-relationships) (Gummesson 2002). The first type occurs by means of a physical, face-to-face contact while the second one takes place online through websites and social media. The use of emails, social media, SMS services, etc. to manage relationships with customers and prospects facilitates customer care activities. Therefore, social media become an important channel for SMCC.

Electronic (online) and human relationships are deeply linked. IT advancements of the communication process do not substitute human relationships but sometimes contribute to their improvements. In practice, the ease of connection with the company could increase the intention to have a direct relationship with a corporate customer care office, chatting or phoning with Skype. A recent study by Aslanzadeh and Keating (2014) found that live-chat and video-chat satisfy the need for human interaction during all the steps of the decision making process.

Travel operators develop multiple customer support systems to interact and keep in touch with customers. They are generally composed by different services and can be classified according to two variables: time (real-time/non real-time) and type of

Table 4.1 Travel customer care services

<i>Electronic relations</i>	E-mail Customer online forms	Online chat Social media notices
	-	Personal meetings Telephone calls Skype calls Voice/video chat
<i>Human relations</i>		
	<i>Non real-time</i>	<i>Real-time</i>
	<i>Time</i>	

Source author’s elaboration

relation (human/electronic). Table 4.1 shows possible customer care services a travel company can employ.

Social media and mobile technology employ, in particular, real-time interactions both human and electronic. Human interactions can vary from the more traditional telephone calls (free of charge or toll-free) to Skype calls and live chat (voice and video chat). In some cases, personal meetings can also occur (i.e., corporate customers and key clients). Electronic interactions include mainly personalized notices and online chat by means of main web applications and social media (i.e., Skype, WhatsApp, Facebook, Twitter) both through the web and mobile devices (PC, tablet, Smartphones). Several travel suppliers use social media notices to keep updated users about travel services. For example, Twitter is used by some airlines to give customers real-time information about aircrafts delays (i.e., American Airlines).

Other traditional ways of communicating with customers on the web are e-mails and online forms that consumers have to complete and send to obtain a reply. In these last two cases, the time range is non real-time and then the customer have to wait for receiving a reply.

In the social media environment, it is crucial the speed of the company's response. If web users know, when sending an e-mail, that they have to wait some time to receive a reply (better if not for a long time), they are not so indulgent in case of a social media request because in that context real-time conversation is considered the norm.

Moreover, new hybrid ways of creating half-electronic and half-human relationships are represented by voice recognition systems (i.e., Siri), avatars, and holograms. An example is that of virtual assistant holograms increasingly provided by various companies (i.e., Delta Airlines, United airlines) at major international airports (i.e., London, Dubai, New York, etc.). Virtual agents are able to assist travelers in a natural language but based on artificial intelligence. They offer responses to customers' queries on the basis of pre-recorder scripts, generally supported by a touchscreen function, that is more practical in the case of airports, where voice recognition could have some difficulties. With ongoing and future improvements of Web 3.0 and virtual intelligence, these instruments will also become more flexible, interactive, and able to increase personalization (i.e., multiple languages) thanks to more various prerecorded scripts.

The interactive nature of social media, along with the opportunity to establish conversations among individuals and firms in online communities, has motivated travel companies to better serve customers and satisfy their needs. For example, Hyatt has created a specific Twitter page called "Hyatt Concierge" dedicated to customer care and relationships. Community members can ask for information, assistance, they can complain and the "web concierge" replies real-time activating a conversation. The main difference between Twitter and online chat is that in the first case the conversation is public: other customers can start interacting and sharing their experiences. This could be both helpful and damaging for companies because other social media users could support the company or, alternatively, the customer in case of complaints. For this reason, these kinds of services should be developed when able to manage them properly, with adequate resources and knowledge about technology and applications.

4.4 Travelers' Engagement by Means of Social Media

Establishing interactions and relationships with customers and prospects does not necessarily mean that they are engaged. As previously mentioned, customer engagement is more connected to emotional and social bonds between a company and community members and among members within a community. Therefore, firms should try to understand the right decisions to make in order to employ a successful and engaging social media approach, considering that each social medium has its own language and rules. What works on Facebook does not necessarily work on Twitter, etc. Moreover, the proliferation of new social media further highlights the importance to improve social media knowledge and awareness.

To start with, a first step is the analysis of company's features and target markets' profiles to understand the preferable media to employ.³³ Hereafter, according to available corporate resources (budget, staff, etc.), technology knowledge, interest of customer segments, etc., the company can choose the social media mix that should be managed coherently with other firms' actions.

Next sections will examine possible activities companies can undertake to achieve travelers' engagement by means of social media marketing.

4.4.1 Consumers' Engagement in Online Corporate Blogs

A way travel companies can employ to interact with their customers and with prospects is setting up a corporate blog dedicated to the company, a specific brand or a certain product.³⁴ When developing a corporate blog a travel company can make various decisions about the focus, the funding, and the governance, according to its specific features (Wirtz et al. 2013).

Concerning the first aspect, the community focus can be mainly related to a specific firm (company, brand, product), can concern a wider shared interest, or both. Companies with strong brand identities can focus mainly on their brands.³⁵ On the contrary, for companies with weak brand identities is advisable to focus on a wider topic rather than on the single brand, exploiting the community members'

³³ We previously mentioned that Facebook could be a good starting point for companies that are facing the social media environment for the first time.

³⁴ As defined in the present study in Chap. 1, corporate blogs are virtual communities that represent the intention and the desire of a company to interact and engage in a conversation with customers and employees. See Sect. 1.3.2.

³⁵ Brand Communities have been defined as "a network of relations between providers and brand consumers who attach a certain value to engage in a relationship with both the provider and with the brand's other consumers" (Wirtz et al. 2013).

interests (Fournier and Lee, 2009). In this way, they have the opportunity to develop low-cost relationships and to enlarge their brands.

Corporate communities can be online, offline, or a hybrid between the two forms. Several online corporate communities are the result of previous forms of offline communities. Furthermore, online communities can have also offline specific activities. For example, people can connect through online games blogs: they can play together in the virtual world, share content and opinions about the game and, at the same time, they can organize some offline events in order to try new products, and to participate to fairs, annual meetings, etc.

Concerning funding and governance, corporate communities can be created and then managed by the company itself and/or the community of enthusiastic of that brand/topic (Wirtz et al. 2013). Some scholars suggest a hybrid approach of governance based on a shared managed approach that contributes to the development of high engaging environments based on co-creation (Fournier and Lee 2009; Hatch and Schultz 2010). This is because governance can affect credibility: when the community is completely controlled and managed by the company, online content may be perceived as less credible. Indeed, two-sided information reflects a more authentic approach that increases credibility and consequently the opportunity of engagement.

The relationship between the motivation of consumers to engage and the actual online community engagement is conditioned by some moderators (factors that can modify the process of engagement) related to the product, the size of the online community, and the customer (Wirtz et al. 2013).

First, product complexity and involvement can influence customer participation to the community. For complex products characterized by high involvement, the experience of participating in the online community assumes more value in terms of practical implications. Taking part in a community allows users to get information about a product, to interact with a brand and with other community members, reducing the perception of risk about the purchase.

Second, the size of the online community is another important mediator. Generally, small brand communities allow members to create more tight relationship with others and then increase the level of engagement with the company/brand/product.

Third, consumer-related mediators concern the community members' experience and longevity of the relationship. Expert consumers are generally less dependent on others' opinions in formulating their choices.

4.4.2 Well Begun Is Half Done: Give a Good Welcome

The first impression to newcomers in a corporate community (a blog, a social network, or a content community page) is particularly important for the subsequent level of interaction and engagement. A good start can overcome barriers related to personal character (i.e., shyness, diffidence) that stop interactions and engagement.

Given that only a small part of social media users are lurkers from the outset (Noonecke and Preece 2003), new users generally would like to introduce themselves and to know other people in the group. A message that gives an introduction of the community and that asks for a brief personal presentation can incentive new members to interact for the first time. This action can trigger messages of other community members that welcome the new comer and therefore stimulate a conversation. Moreover, such a start could reduce the perception of risk of writing a post.

The reply to newcomers' messages and to new subscriptions should be very quick. If not possible a real-time response (with maybe an automatic procedure), the reply or "welcome" should be sent as soon as possible. The perception of the right timing of response obviously varies according to the type of social media considered. Certainly, mobile technologies increase expectations about real-time responses but, at the same time, offer community managers new instruments to keep themselves updated about what is happening on social media, offering additional opportunities for prompt replies.

Finally, novices do not know all the community procedures and customs, therefore, it could be useful to give them, in the first introductory message, main information about the group and main working procedures. In this step, it is particularly important to be very kind also in case of naïve questions, otherwise, the new member could decide to stop posting for the future or even to leave the community. Sometimes rude and unfriendly responses come from other community members. In this case, the company can act as a moderator in the conversation trying to change the tone of the response in order to isolate impolite feedbacks and enhance the sense of community and social bonds.

People entering in a new community expect to be able to publish easily. This does not mean that anyone can post whatever without rules. The objective should be to create a safe community environment, along with clear and simple procedures to follow in order to become a member and start participating (registration process, privacy options, etc.). In particular, technical problems can stop conversations. In these cases, community members are key sources of information and their collaboration allows companies to rapidly solve the problem.

4.4.3 Engaging Content on Social Media

Irrespective of the kind of social media, what is really important in order to engage customers is the content published. Engaging content can create a continuous interaction with consumers/prospects and stimulate word-of-mouth, generating all the previously mentioned benefits that this implies.³⁶

³⁶ See Chap. 2 for a literature reviews on the topic of electronic word-of-mouth.

Therefore, it is useful for companies to understand which characteristics of social media content can affect customer engagement. Sometimes, this is not linked necessarily to specific features of a product, a brand, or a firm but it can depend more likely on the company's ability to create engaging stories that, in turn, produce an emotional bond.

Hereafter, a few possible suggestions to create engaging content on social media are provided. These actions can be valid for different kinds of social media (social networks, content communities, corporate blogs, etc.), otherwise considering the necessarily adaptations.

4.4.3.1 Social Media Content Focus and Storytelling

Firms often underestimate that social media content has to be of interest for their users (Sernovitz 2006) and congruent to norms and narrative style of the community (Kozinets et al. 2010). This means to have a deep knowledge of various customers' profiles and awareness of what they expect from the conversation on that medium. Then, before deciding the social media approach to adopt, it is recommended to conduct specific investigation about company's target markets and to explore main working principles for each social medium.

The company's ability to create and tell a story can increase customers and prospects' engagement (Mangold and Faulds 2009; Sasoon 2012; Fontana 2013). Storytelling is a good way to create content in a narrative form. Stories can concern the company, special events, the management, the staff, other customers, etc.³⁷ Each event can be a story to be told. A valuable example previously mentioned in Chap. 1 is the blog "Marriott on the move" managed by Bill J.W. Marriott who posts comments about his personal life, business life, and anecdotes about him and his family. In the case of customers' narratives shared on the blog or on the company's social network page, we notice a double effect that can engage other users and create conversations: content enrichment of the page and storytelling. For example, two customers who get engaged during the travel could decide to publish the photo of a sparkling ring to say thank you to the lovely staff.

Generally, content related to strong emotions (humor, joy, fear, sadness) are more likely to create engagement and then to be forwarded to other people (Dobele et al. 2007). Very humorous jokes and stories are able to meet even infrequent senders (Phelps et al. 2004). In particular, "high-arousal" positive (awe) or negative (anger, anxiety) emotions tend to be more engaging and more viral (Berger and Milkman 2012). Furthermore, visual content (pictures, photos, and videos) have been demonstrated to be particularly engaging and to mediate travel experience (Tussyadiah and Fesenmaier 2009).

³⁷ For further insights on the topic of storytelling and motivations that move travelers to share their experience see Chap. 3.

Social media content can be obviously promotion-oriented and related to the brand, the company, or a specific product. However, firms should pay attention to the risk of too self-referring content. Social media users appreciate a balance and alternation of corporate-centric content and users-centric content, generally referred to other topics of discussion about their habits, their preferences, etc. (i.e., the best ways to pack). Finally, social media content represents for people a form of entertainment and then it should be always innovative and not too repetitive in order to avoid annoying users.

In fact, social media users sometimes interact with firms or brands via social media because they want to obtain a concrete benefit: for example, getting discounts, purchasing products, and services, reading reviews and product rankings (IBM 2011). In these cases, special offers dedicated to social media users (e.g., Facebook rates or fares) and connections with travel reviews websites represent interesting content. For example, TripAdvisor Widgets allow companies to add TripAdvisor content to their own website or social media page that displays the latest reviews and awards. TripAdvisor widgets give valuable information to social media users and encourage customers to post a review.

4.4.3.2 Call Social Media Users to Action

One easy way to continuously generate innovative and engaging content for social media users is “call them to action,” that is to ask for their participation and stimulate them to share their experiences by publishing posts, photos, videos, etc. (Mangold and Faulds 2009). Participation of users can be stimulated in different ways:

- request to answer to a question (i.e., what you cannot forget when packing? which is your mood today? with different options depicted by two funny pictures);
- request to give an opinion (i.e., What do you prefer? Sea or mountains?);
- request to share photos, videos, audio, etc.;
- request to participate to a contest.

Posts, opinions and, generally speaking, user-generated content shared on social media, if related to the travel experience, a brand, a destination, etc., represent free word-of-mouth even more valuable because it comes from peers. Therefore, it is perceived as more credible by users rather than content published by the company. Moreover, user-generated content engage who is posting but also other users because enrich the content of the page and stimulate conversations.

A particular way to ask for social media users' participation is crowdsourcing. The company posts a problem or a proposal online in a specific community and

all the members offer ideas to solve the problem or improve a project (Brabham 2008).³⁸ For example, a request to collaborate to something: give ideas for a new hotel concept, or help the company to conceive the new advertising campaign, etc. The winning ideas could also be awarded and then realized by the company.

Contests can be very appealing and helpful instruments to create conversations. They can stimulate users to create contents that enrich the entire community. For example, a restaurant could ask social media users (i.e., Facebook) to post their favorite cake recipe in order to innovate the menu, the best idea being awarded with a free dinner. The dinner could become an occasion for the award ceremony to which all the community members should be invited. This action generates possible social bonds in real life and produces new contents for the future. Indeed, the day after the event, other community members involved in the contest will expect the company and other people telling them about the dinner experience through photos, videos, messages, etc. An event like that can generate also a high level of virality on other social media (Facebook, Twitter, etc.) before, during and after the event.

4.4.3.3 An Investigation on European Hotel Brands Facebook Approaches

In the light of previous social media approaches, this section deals with some useful findings of a study conducted by Minazzi and Lagrosen in 2013 in order to investigate the use of social media by main European hotel brands.

Research was conducted in the period March–April 2013 and methodology consisted in the analysis of the Facebook pages of selected European hotel brands³⁹ by means of 14 items that can be grouped in five categories: accessibility, information, “call to action,” connections, and performance (Table 4.2).

For the purpose of the present analysis, we will focus especially on the second part of the study that provided a content analysis of the posts published in 2012.⁴⁰

The results of the content analysis are displayed in Fig. 4.3. Nearly 48 % of posts are promotion related.⁴¹ Hot topics are the promotion of a specific hotel (29 %) and of the destination (28 %). Only 16 % of the posts are contest-related. The overall

³⁸ According to Howe (2006) “crowdsourcing represents the act of a company or institution taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call. This can take the form of peer-production (when the job is performed collaboratively), but is also often undertaken by sole individuals. The crucial prerequisite is the use of the open call format and the large network of potential laborers”. Surowiecki (2005) refers to this phenomenon with the term “the wisdom of crowds”.

³⁹ The hotel brands were selected combining the rankings of the top ten European hotel groups (MKG Hospitality, 2012) and the world ranking of the top 50 hotel brands (Hotels Magazine 2012).

⁴⁰ The content analysis is undertaken on the basis of a list of categories adapted to the case of the hotel business from a study of Hays et al. (2013) who analyzed the use of Facebook and Twitter by destination management organizations.

⁴¹ The same post could contain more than one item.

Table 4.2 European hotels Facebook page items of analysis

Items category	Items
Accessibility	Is it easy to find the Facebook page of the hotel brand searching in the Facebook search engine?
	Is there a connection to the website of the hotel brand and from the website of the hotel brand?
Information	Which kind of information is included in the Facebook page?
Call to action	Is it possible to check availability and rates?
Connections	Is there the possibility for the user to connect to the profile of the company on other social media (Tripadvisor, Twitter, You tube, etc.)?
	Is there the possibility for the user to connect to the company/brand Mobile Application?
Performance	Number of “Like”
	Number of people “Talking about this”
	Number of people that “were here”
	Frequency of posts for each content categories

Source Minazzi and Lagrosen (2013)

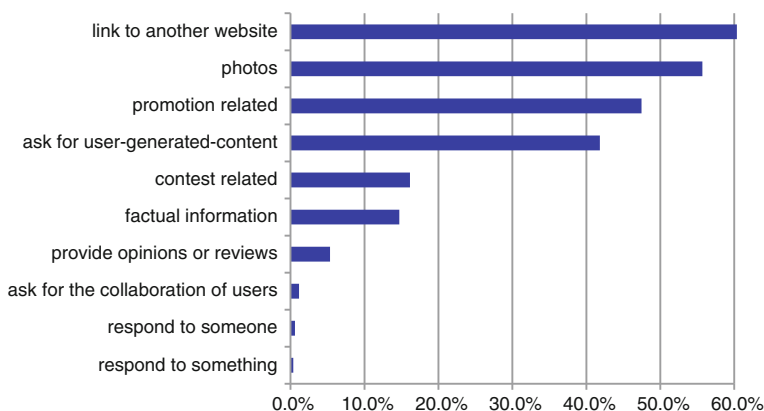


Fig. 4.3 Posts content analysis of European hotels Facebook pages. Source (Minazzi and Lagrosen 2013). With kind permission from Springer Science and Business Media

impression coming from the analysis is that the majority of posts stems from the hotel brand itself, mainly to promote the hotels of the chain. Therefore, the Facebook page seems to be used more as a traditional marketing tool rather than as a media to engage with users. This is confirmed by the results related to the level of interaction with users. 42 % of posts ask for user-generated content, especially to answer to a question and to give an opinion, only 1 % of posts ask for the collaboration of users (different from giving the opinion) that could be, for example, asking the users to help the company to create a slogan or similar. Moreover, only 1 % of hotel brands respond in the posts to something or to someone.

The interaction with users is often interrupted by a link to another website (60.4 %). Moreover, only 5 % of posts give an advice or a comment on something (different from a specific hotel of the brand). Consequently, the opportunity of engagement will be reduced. A possible reason of this behavior could be the lack of commitment in creating interaction on this media following the belief that funny pictures or amazing photos (the preferred content published, 55 %) are enough to create engagement. As mentioned in Sects. 4.3.1 and 4.3.2, customer engagement is the result of both emotional and relational bonds connected to intimacy.

The analysis of counting metrics supports the findings related to the lack of interaction and engagement with users. In practice, we noticed a significant gap between number of "like" and the number of people "talking about this".⁴² This means that hotel brands are not able to fully exploit the opportunities offered by people who like the page but who do not interact with the brand. The ability to encourage lurkers to post, stimulating interactions, can be a first step to create engagement with Facebook users. Moreover, replying to users posts and asking for their collaboration and experience, as well as promoting contests could be useful actions in order to create a higher level of engagement, trying also to influence customer loyalty, word-of-mouth and sales.

Some findings of this study support the survey mentioned in the previous chapter (Vision Critical 2013). Facebook is confirmed to be the most used social media among examined hotel brands. From the point of view of customer engagement ability, and considering the moderate level of integration and connection among different media pointed out, investigated European hotel brands generally are positioned in the first stages of development of a social media approach on the continuum from Social media presence to Social CRM. However, at the same time, they reveal some signals of a gradual development of the social media approach directed to "call to action." This is mainly connected to the attempt to convert social networking contacts into sales by means of the "book now" function.

4.5 How to Manage Electronic Word-of-Mouth

The previous sections examined how companies can try to engage customers on social media and highlighted the tight link between engagement and virality. Engaging content generates interactions between the company and customers/prospects and, at the same time, stimulate conversations among social media users,

⁴² Main counting metrics published on the Facebook page are (Facebook 2013): "Like" is the number of unique people who like the Facebook Page; "Talking about this" is the number of unique people who have created a story about the Facebook Page. A user can create a "story" when likes a page, comments on, or shares the page post, answers a question the company have asked, responds to an event, mentions the Page, tags the Page in a photo and finally checks into or recommends the Place posted on the company Page.

and word-of-mouth that goes beyond the boundaries of the single social medium. Therefore, it is extremely important for the company to manage this type of communication about the firm. For this reason, word-of-mouth management has become an integral part of marketing strategy (van der Lans et al. 2010).

The strategies a company can employ to influence and manage word-of-mouth have been studied by several authors and conceptualized with different terms. The concept is known as “viral marketing,” “word-of-mouth marketing,” (WOMM) (Silverman 2011) “buzz marketing,”⁴³ (Dye 2000; Rosen 2000, 2009) or “guerilla marketing” (Levinson 1989). Even though each one may present different connotations according to the kind of media used for the communication process (online vs offline), they are usually used as synonyms. Most recently, other terms were coined to describe the phenomenon: “social media marketing” and “connected marketing” (Kirby and Marsden 2006).

Viral marketing is the process of encouraging honest communication among consumers networks (Phelps et al. 2004). Kozinets et al. (2010) define word-of-mouth marketing (WOMM) as the intentional influence of consumer-to-consumer communications by professional marketing techniques through a complex process that transforms commercial information into cultural stories, relevant to the members of particular communities.

WOMM goal is to use consumer-to-consumer (peer-to-peer) communications to disseminate information about a company, a brand, or a product. The message can be spread intentionally or unintentionally (De Bruyn and Lilien 2008). Intentional word-of-mouth occurs when social media users become promoter of a specific brand or product. Intention to spread WOM can be incentivized (i.e., financial incentive by the company) or a free desire to share their feelings with friends. Unintentional WOM occurs when social media users spread a message without a real intention to become a promoter of a brand, a product, or a company. An example is the action of “liking” posts or pages on Facebook that will immediately communicate to the network the preference.⁴⁴

The range and speed of diffusion of conversations is increasing due to Application Programming Interface (API) that allows different platforms to connect. In practice, it means the development of networks of integrated connections among platforms. The most evident example is the opportunity to use the “Facebook login” to connect to different social media that increases users content sharing among various platforms (i.e., share Instagram photos on Facebook or Twitter) and companies’ chance to complete customers’ profiles.

In the light of the previous considerations and of the motivations for spreading word-of-mouth identified in Chap. 2, companies willing to use social media to

⁴³ According to Rosen (2009) buzz is “the aggregate of person-to-person communications about a particular product, service or company.”

⁴⁴ The development of the Facebook graph search is increasingly transforming “likes” in recommendations. For further insights see Chap. 6.

Table 4.3 Social media marketing actions to manage eWOM

1	Pursue the objective of customer satisfaction in order to incentive spontaneous positive word-of-mouth in all the steps of consumer behavior
2	Social media planning: decide the social media mix and the social media approach
3	Identify influencers/opinion leaders for each social medium
4	Create engaging and accessible content for customers and prospects
5	Promote interactions and sharing
6	Promptly reply to all social media users' questions by means of a multiple customer support service (Social Media Customer Care-SMCC)
7	Call social media users to action
8	Engage in conversations of third party websites

Source author's elaboration

manage word-of-mouth and to increase online conversations should develop the following actions (Table 4.3).

Pursue the objective of customer satisfaction in order to incentive spontaneous positive word-of-mouth in all the steps of consumer behavior. Despite technologies opportunities to easily spread WOM, travel companies should remember that customer satisfaction is one of the most important drivers that can generate positive WOM (Mauri 2002). Avoid letting consumers go home unsatisfied can represent a preventive way to manage eWOM. Customer relationship management during the travel experience can offer various opportunities of interaction in order to prevent service failure. A company should encourage guests to communicate eventual dissatisfaction and employees should be trained to be able to recognize, control and, if necessary, appease customer anger during the service supply (He and Harris 2014).

Social media planning: decide the social media mix and the social media approach. According to consumers/prospects' profiles and behaviors and considering internal features (resources, etc.), the company can decide the social media mix and approach. This means to decide which social media to use and planning a progressive development, starting from a possible simpler approach, and moving to a more complex in a second step. During this planning stage, the company has to take into account that intensity of word-of-mouth can change according to the communication channel (Berger and Iyengar 2013): not all social media are equally effective for the diffusion of peer-to-peer referrals. Social networks of friends are generally considered more effective for the rapid spread of WOM due to strong-ties among community members (De Bruyn and Lilien 2008).

Identify influencers/opinion leaders for each social medium. Sometimes it could be helpful to stimulate some very active community members or online opinion leaders that, in turn, are able to start a new conversation or spread an existing one. They are called influencers and play a key role in online environment. Firms should identify a small group of influencers/opinion leaders and cultivate relationships with them, sometimes prior to extend the communication to the entire community. Due to their credibility, expertise, and/or enthusiasm, a favorable opinion of these

influencing social media users can provide more credibility to the message, generate more interest and engagement, as well as stimulate virality.

Create engaging and accessible content for customers and prospects. To sum up what uttered in the previous sections, people love to talk about topics they are interesting in (Sernovitz 2006; Berger and Schwartz 2011), innovative and characterized by strong emotions (Dobele et al. 2007; Rosen 2009). Moreover, a narrative structure (Delgadillo and Escalas 2004) and multimedia emotional content promoted by the firm or posted by other users has more influence on volume and speed of virality (Bruni et al. 2012).⁴⁵

Firms should also consider that customers and prospects generally talk about information that is accessible. Therefore, public visibility and accessibility may increase WOM (Berger and Schwartz 2011). In social media environment, this depends on the type of medium and its audience. For example, according to the age and the kind of job, people connect to their social networks in different moments of the day (e.g., early in the morning before starting work or late in the evening while watching TV). Furthermore, this can change according to the type of social media: Facebook rather than Twitter or Youtube. Therefore, for instance, understanding when to publish a post on Facebook is very important considering the posts' limited time of visibility on the users' news feed, especially if he or she is very active on the network. The ability of the company to figure out different profiles by means of statistics offered by social media pages (i.e., Facebook Insights) is very useful to understand where and when to publish. In the travel sector, this is particularly important due the possible different customers and prospects' nationalities and therefore to various types of social media used (i.e., Facebook is not permitted in certain countries) and time zones.

Finally, the ability to publish engaging content affects also visibility. For example, engaging posts, that obtain plenty of likes on Facebook, have extended time of visibility on the news feed, and therefore they are visible and accessible for a longer period of time. The same happens on Pinterest where engaging visual content is pinned, becoming in this way visible and accessible to the user's network.

Promote interactions and sharing. Propensity to spread WOM depends also on the opportunity to share it with friends and other members of a network. The ease of interacting and sharing online content influences the message virality. Main social media offer this opportunity with specific online functions. The "share" option is used by most social media as well as the "Like" option (pin on Pinterest). These are automatic ways that the user can employ to share preferences and dislikes with the network. Sometimes this is not completely conscious and intentional, especially in social networks that are generally used during everyday life to interact about a large variety of topics. For example, during a trip travelers, if connected to the web, will probably use Facebook to keep in touch with their network telling them about their experiences. Even if sometimes this action is not completely conscious, as could be

⁴⁵ In particular, a study of Bruni et al. (2012) found that multimedia content positively influence the volume and speed of retweeting.

in the case of online reviews on TripAdvisor, they are spreading positive and negative word-of-mouth on the basis of their emotional state.

In travel distribution, flash sales operators are strong users of these practices to support commercial activities. In fact, in group-buying business models WOM about deals allow to reach the tipping point and activate the offer.⁴⁶

Promptly reply to all social media users' questions by means of a multiple customer support service (Social Media Customer Care-SMCC). The promotion of interactions and sharing starts a conversation with the audience that is expected to continue. People interacting on a social medium expect to obtain answers to their questions, to be acknowledged if they contribute to a conversation, to receive communications about the result of a contest, etc. If a company wants a community to be interacting and engaging has to stimulate discussions, keeping in touch with community members by means of newsletters, e-mails, notices, etc., that let them know current hot topics and generate conversations. Therefore, incentive interactions and participation could be counterproductive, if not properly prepared to manage conversations according to the rules of the specific social media employed. Sometimes, lack of training of employees involved in interactions with social media users can negatively affect customer engagement. Then, it is essential to empower and train employees who have direct relationships with community members in order to achieve customer engagement (Ramaswamy 2009).

Call social media users to action. An advanced step to engage social media users is to create specific events or promotions that ask for the members' collaboration. We mentioned how crowdsourcing and contests can be engaging instruments to create conversations about a topic. However, firms should be aware that these marketing actions should not be improvised but properly studied considering all possible reactions. Specific and clear rules should be provided to the audience, especially when there is a contest with an award at the end. Moreover, the promotion should be linked to offline and online events that encourage conversations and enhance the sense of community, exclusivity, etc.

Engage in conversations of third party websites. Firms should be able to engage in the conversation about their products/brands not only on their blogs, or social networks pages, but also on other third party websites that are used by consumers and prospects. A first step is to monitor online reputation in order to understand the "sentiment" about a company, a brand and/or a product,⁴⁷ the website where the conversation is going, and then participate if necessary. For example, a company could decide to reply to consumer online reviews on travel review websites or engage in a conversation on a travel blog, etc. Next section will deal with the ongoing discussion about opportunity to respond to customers on travel review websites.

⁴⁶ For further insights about flash sales business model see Sect. 4.1.2.

⁴⁷ The topic of social media monitoring and sentiment analysis will be examined in Chap. 6.

4.5.1 A Focus on Online Travel Reviews: Reply or not to Reply?

The spread of eWOM and the travelers' practice to post online hotel reviews can be both an opportunity and a threat for travel suppliers. Travel companies can try to manage both positive customers' messages and vindictive negative WOM generated by a service failure, interacting with them on travel review sites. This means replying to guests' feedbacks in order to create moral engagement (He and Harris 2014). Hotels, for example, could apologize about a service inefficiency appeasing angry customers.

Academic research has tried to understand how to manage this content. As highlighted in the literature review about eWOM reported in Chap. 2, a great deal of academic studies supports the idea that online reviews have become a powerful decision-making resource for consumers.

However, we notice an ongoing discussion about the opportunity to engage with customers (or presumed consumers)⁴⁸ on travel review websites. A stream of research considers online reviews as an opportunity rather than a threat for travel suppliers (Litvin et al. 2008) and a new marketing tool (Dellarocas 2003) that allow to post product information, to chat and to interact with customers. Given that the most common way to interact with travel reviewers is to respond to their feedbacks, this research path supports the position that companies should strategically respond to online consumers' reviews (Chen and Xie 2005, Dellarocas 2006; Zhu and Zhang 2010). These studies confirm that responses to negative online reviews can positively influence hotel customers' attitudes and potential customers' perceptions (Litvin and Hoffman 2012), purchasing intention and expectations (Ye et al. 2008; Xie et al. 2011), and review rating and review volume (Ye et al. 2010), while "no action strategy" may damage the company's reputation (Lee and Song 2010).

Hotels response opportunity on travel review websites was not permitted until a few years ago. Indeed, TripAdvisor started to let hotels reply only recently after the strong requests of hoteliers. Despite this new opportunity, academics found that a very small part of hotels actually respond to online consumers' feedbacks (O'Connor 2010; Park and Allen 2013). Moreover, even in case of reply, sometimes the methods of response employed by hotels are generally inconstant and incoherent (Park and Allen 2013).

We can identify some response approaches emerged by previous studies, in particular related to negative reviews. Companies may adopt a "defensive" or "accommodative" strategy (Marcus and Goodman 1991). The defensive approach contemplates organizational interest as a priority, while the accommodative one considers the complainers' concerns first. Lee and Song (2010) added a third method that is called "no action," and found that sometimes taking no action against the negative review may provide a more favorable outcome than using a defensive strategy.

⁴⁸ The analysis of WOM biased information is reported in Sect. 2.4.

Another classification of corporate responses strategies identifies two main approaches: problem solving and strategic (Park and Allen 2013). In the first approach, online reviews are used in order to resolve customer complaints as quickly and efficiently as possible. In the second approach, a wider perspective is used that considers online review responses as a way to engage guests and online users. In this second case, gathered information is used to create innovative services and improve existing ones.

Therefore, the central issue is not if the hotel should reply or not to online feedbacks but more likely how to reply. Mauri and Minazzi (2013) conducted an experimental study to investigate the impact of online hotel reviews on consumers decision-making and expectations. They tested the effect of hotel response presence compared to a scenario without responses.⁴⁹ Results showed that hotels replies presence can have a negative effect on purchase intentions. A possible explanation of this finding was identified to be the adoption of a too standardized and defensive response approach that can be perceived by users as advertising and then as less credible because not independent from the organization (Buttle 1998; Stern 1994). Furthermore, a too promotion-based approach could be interpreted as a way to manipulate and control online user-generated content and consumers' opinions (Mauri and Minazzi 2013).

In the light of previous results, hotels responses should be elaborated not only considering valence. On the contrary, the hotel reply should change according to the type of product, the kind of information provided in the message (Chen and Xie 2008) and the context. Specific rather than generic management responses are perceived more favorably by travelers and can increase trust (Wei et al. 2013). Knowledge of the dimensions customers use to evaluate eWOM reported in Chap. 2 can help companies to elaborate more authentic and personalized responses.

Adopting the classification of Park and Allen (2013), firms that intend to optimize WOM management should develop a strategic approach that can offer more benefits, if properly handled, with dedicated resources. However, hotels sometimes do not have selected and trained staff in charge of this function (the activity can be also outsourced), with a consequently negative effect on accuracy, style, and consistency of responses (Park and Allen 2013).

Finally, a further complication that interferes with hotel operator response activity is sometimes a hotels managers' lack of knowledge about information technologies (IT). As previously mentioned, IT and social media are mainly seen as an instrument to reach customers but rarely they are integrated into the company's business strategy (Law and Jogaratnam 2005; Law et al. 2008). This influences the awareness of the positive effects eWOM management could have on business.

⁴⁹ In order to eliminate the possibility of bias, three scenarios were built around an unbranded hotel. The hotel reviews presented in the three scenarios were created by studying a few comments posted by customers on TripAdvisor following the rules of credibility presented in Chap. 2.

4.6 Social Media and Communication

IT and Web 2.0 advancements have generated new opportunities and tools for companies to reach customers and prospects with their communication and in particular with personalized promotional messages. Emails, newsletters, search engines and social media are the most considered ways to develop online advertising.

The major change respect to traditional communication channels is the possibility for companies to target their ads to a specific audience so that people on the web will display personalized promotional messages according to their preferences. This method was implemented by search engines (e.g., Yahoo, Google). For example, a traveler who is searching online for a hotel on main search engines by means of keywords like “hotels in New York” will then find New York hotels promotions in other websites and making other researches. Recent statistics confirm the propensity of online users to pay attention to these personalized ads in the social media environment, according to their profile information (Nielsen 2012).

Unlike early Internet advertising, that was based on paid flat fees to show ads for a fixed number of times on specific websites, these types of online ads are based on the advertiser willingness to pay on a pay-per-click basis (PPC). The firm submits a bid for a particular keyword and pays according to the number of clicks (every time a consumer clicked on a sponsored link) (Edelman et al. 2005).

The aforementioned benefit to address advertising to specific target markets has generated a shift in advertising expenditures across media types (Tuten 2008). Generally speaking, suppliers—particularly small-medium companies—are more and more aware of the impact of new technologies on customer purchasing behavior and have adjusted their strategies (Burgess et al. 2014), investing a larger part of their communication budgets in electronic channels, the Internet and mobile technologies (Caroli and Pratesi 2011).

Furthermore, the development of social media increases the opportunity for companies to spread free and paid online ads. Within the online communication budget, free or paid social media marketing is heavily employed by advertisers and agencies also in the light of recent reports on social media in the USA that found an increasing propensity to buy products after having seeing social ads (14 % of US customers purchase a product after having consulted a social ad) (Nielsen 2012). Even if free social media tools remain obviously very popular, in the last few years the use of paid social media and sponsor content is increasing and the advertising budget dedicated to paid social media is expected to grow in the future (PhocusWright 2012; Nielsen 2013).

The main difference between customized advertising on search engines (like Google) and on social media (like Facebook) is how the audience is selected. Facebook ads allow filtering the audience according to Facebook users’ information and the “Like” behavior, while Google matches ads according to the keywords the web user enter in the google bar. In both cases, advertisers have no control on who is going to see their ad and will pay on a PPC⁵⁰ basis.

⁵⁰ On Facebook the same mechanism is called Cost per Click (CPC).

The opportunity to target advertising on social media, if integrated with other online and offline communication, can offer interesting advantages for companies (Mangold and Faulds 2009). Recent statistics (Nielsen 2013) show that advertisers start considering increasingly social media campaign as integrated communication instruments. The problem remains how to measure the effectiveness of these campaigns. Hardly, we find a coincidence between what companies/advertisers expect and what metrics publisher can really provide that leads to an unsure perception of paid social media advertising's effectiveness.⁵¹ Social media are working in order to overcome this problem. For example, recently Facebook has upgraded its advertising metrics (Ads Manager), improving the consistency between ad options and reporting. Companies can now monitor how many times their objective was achieved, as well as the cost per objective. These new functions permit to better retarget advertising expenses in order to understand how to allocate ads for better return on investments (ROI).

4.6.1 A Focus on Facebook Advertising Tools

As Facebook is the most used social media by customers and firms, we believe it is useful to briefly go through the opportunities offered by this social network to develop online advertising. Facebook advertising is on payment and allows the company to reach all the Facebook users filtering the most appropriate audience. Moreover, it can generate free additional word-of-mouth, thanks to the "like" and "share" options. However, we can consider "free advertising" the action of the company to publish a post that contains promotional content (offers, events, etc.) directed to people that "like" the company's page. In this case, firms cannot select the audience that is limited to the network. On the contrary, paid advertising can reach a larger audience of customers and prospects going beyond the boundaries of the company's network. Therefore, the spread of free posts is less extensive than paid ads even if it can be amplified by networks friends' word-of-mouth.

Facebook paid advertising tools offered to firms (with a corporate page) are: offers, sponsored stories, and ads (Prunesti 2013).

Offers are specific posts that allow companies to promote the product or specific events selecting a specific audience. For example, a hotel can promote on Facebook a special rate for the low season and allows people to redeem the offer by means of a coupon.

Sponsored stories are promotional messages that will appear on the news feed of fans' friends on the basis of their activities. Namely, friends of people who are engaged with the corporate page (i.e., like a post or share content) will see sponsored stories mixed with other friends posts in the news feed.

⁵¹ The topic of social media metrics will be examined in Chap. 6.

The third type of Facebook advertising tool is represented by ads campaign. In March 2014, a new structure was launched based on three levels rather than the previous two (Facebook, May 2014). They are the campaign, ad set, and ads:

- Campaign: each campaign has a specific advertising objective that will consist of one or more ad sets. Companies can choose among various objectives:
 - Clicks to Website: make people to visit the website;
 - Website Conversions: promote specific conversions for the website;
 - Page Post Engagement: promote the page posts;
 - Page Likes: increase page likes (popularity);
 - App Installs: lead people to install the mobile or desktop app;
 - App Engagement: make people use the desktop app;
 - Offer Claims: create offers for people to redeem in your store (by means of coupons);
 - Event Responses: increase the participation to an event.
- Ad Set: this level allows companies defining one or more specific audience according to Facebook profile information: location, basic demographics (age, gender, language), advanced demographics (birthday, relationships, education, work), interests (favorite music, movies, etc.), broad categories (e.g., parents) and connections (e.g., people who like the company's page). An audience meter shows the potential reach when filtering the target information. Advertisers can then direct more than one ad to each ad set. This new level offers the opportunity to monitor how much has been spent for each segment and to measure the results of a coordinated campaign composed by more than one ad toward specific target markets for each campaign.
- Ads: company's promotional messages targeted to a specific ad set. On the basis of the goal and the type of product, personal information is filtered to reach the selected audience. Ads are generally composed by a title, an image and/or video, a body copy, and the "like" option. The ad can be displayed in the right sidebar of the Facebook homepage in the sponsored area or in the news feeds.

The continuous upgrading of advertising monitoring opportunities offered by Facebook is affecting travel companies, that are increasingly investing part of their communication budgets in social media and mobile technologies (PhocusWright 2012).

4.7 Social Media Use Within Pricing and Revenue Management

The increasing adoption of the Internet and social media both by customers and by companies has evident impacts on pricing strategies. Prices are increasingly published on the Net in the official websites of travel companies, in that of distribution

channels and in unofficial websites (travel blogs, virtual communities, travel review websites, etc.) where people comment the value-for-money (O'Connor 2008; Christou and Nella 2012; Maier 2012). Customers can compare easily different travel companies' offers, consult other customers reviews, and then compare prices by means of meta-search websites. This is clearly an advantage for travelers who have more power to choose the right solution. For tourism companies, this can be both an advantage and a disadvantage. In fact, rates and fares become visible not only for customers but also for competitors who can monitor more effortlessly other companies' decisions and policies. Therefore, firms can study other companies' strategies but, in turn, they are monitored by competitors.

Furthermore, customers are involved in the benchmarking process by means of social media metrics such as rankings, ratings, likes, etc., that become indicators of quality and have the power to increase web reputation. Therefore, the ability to stimulate positive consumer-generated content (reviews, comments, posts, etc.) can increase the level of service quality perceived by customers that can be used also in external communication, giving the opportunity to higher prices. For example, the TripAdvisor year award certificate⁵² for a restaurant or a hotel is a seal of quality that could increase the occupancy rate and consequently revenues.

The previous trends generate an increasing prices dynamism that has become a critical element in travel distribution and channel management (Maier 2012; Mauri 2014). Travel companies have to continuously align their rates to those of competitors more dynamically than in the past (Mauri 2012). This affects revenue management practices that have become more complex because new factors have to be considered.

Revenue management (RM) is a business process implemented in order to maximize revenues and profits (Mauri 2012).⁵³ It can be defined as "a range of activities related to demand management, including pricing, segmentation, capacity and inventory allocation, demand modeling and business process management" (*Journal of Revenue and Pricing Management*).⁵⁴ Social media can affect various steps of the RM process that are classified as follows: market segmentation and pricing guidelines, demand forecasting, inventory allocation and price optimization and overbooking and oversale (Mauri 2012).

⁵² The TripAdvisor year award certificate is an award given to companies that achieve a specific high rating. The rating depends on the average scores given by TripAdvisor users. It is generally exposed at the entrance and/or at the front desk as a seal of quality of the service provided.

⁵³ Revenue management was initially adopted by airlines in the 1960s–1970s by using discounted fares with the objective to increase flight occupancy. This process accelerated with the Deregulation Act in 1978 that facilitated the entrance of low-cost carriers and consequently increased competition. Later revenue management practices was adopted by the lodging industry and other companies of the services industry such as restaurants, car rentals, cruises, casinos, etc. (Anderson and Xie 2010).

⁵⁴ For a comparison of the various definitions of revenue management consult Mauri (2012) who studied in-depth the topic in the hospitality industry.

First, social media allow companies to gather more information about customers enriching their databases. This gives the opportunity to improve segmentation, differentiation, and personalization of services provided. The combination of online customers' unstructured information coming from social media with other more traditional ones coming from loyalty programs, CRM, etc., may help revenue management effectiveness.⁵⁵ Therefore, a deeper knowledge of consumers' features, behaviors, and price elasticity facilitates price strategy definition and demand forecasting (Minazzi 2012).

Moreover, different prices can be associated with diverse buyer features and rate fences (e.g., frequency of consumption, reason of stay, individual/group).⁵⁶ For example, special services and rates are studied for loyal or business customers. In addition, concerning the type of client (individual/group), social media allow individuals that are linked by means of social networks to aggregate in groups and exercise the power to ask quantity discounts or other favorable conditions. An example is Bonvoy which enables people to create travel groups. In practice, the Facebook interface allows users to plan, book and split costs of their trip, paying a lower price.

Finally, some travel companies adopt special rates to stimulate people to connect to the Facebook page in order to receive special offers and prices or conditions. This action has a double effect: on the one hand, it allows companies to collect additional customer's information and, on the other hand, to have a direct channel to communicate and eventually to sell travel services.

Also the distribution channel is a criterion used as transaction rate fence often considered within price discrimination policies. The possibility to better understand the profile of customers of different booking channels offers also an opportunity to define more precisely pricing strategies and capacity allocation (how to allocate inventory among various booking channels). As examined previously in the chapter, private sales for example imply a particular offer with specific restrictions (time, volume, etc.) that motivate a certain discount and allow to allocate inventory in specific periods of the year characterized by low occupancy (e.g., low season). In this case, the price offered will be different from that on OTAs or published on the property website. The objective is price optimizations according to different distribution channels that are used by various target markets. However, it is essential for companies to apply these practices paying attention at the risk of consumer's perception of unfairness (Mauri 2007, 2012). Consumers will perceive the service as unfair if different prices are set for the same service. Indeed, unfairness perception is generally associated with transaction similarity (Xia et al. 2004).⁵⁷

⁵⁵ The topic of unstructured social media data will be examined in Chap. 6.

⁵⁶ For a classification of rate fences in the hotel industry consult Lovelock and Wirtz (2004), Wirtz and Kimes (2007), Mauri and Soone (2009), Zhang (2011), Mauri (2012).

⁵⁷ A transaction can differ for many reasons. For example timing, service features, quantity, purchase method, etc. (Mauri 2012).

Another aspect to consider when discriminating the price among distribution channels is rate parity. Rate parity is a term used especially in the hospitality industry and occurs when a hotel has homogeneous rates for the same product across all its distribution channels (Mauri 2012). Actually, according to some scholars who analyzed online hotel rates comparing them on different distribution channels, rate parity is more an ideal concept (Demirciftci et al. 2010; Toh et al. 2011). However, online intermediaries generally require a specific clause about rate parity in their agreements that provide penalties or downgrading in the ranking in case of violations. With the development of meta-search websites, the check of rate parity respect is easier.

In conclusion, in order to fully exploit the opportunities that social media offer to revenue management, sales and marketing, and revenue management department should work together to develop “the right offer, to the right consumer, at the right time and at the right price”.⁵⁸

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⁵⁸ This is a popular statement used to define revenue management by several authors in their publications (Mauri 2012). The origin of this phrase comes from the revenue management definition proposed by American Airlines in 1987 “selling the right seats to the right customers at the right time” (Weatherford and Bodily 1992), that was then modified adding “and at the right price” (Ng 2007).

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Chapter 5

Mobile Social Media Marketing in Tourism

Abstract The combination of social media and mobile technologies has changed the way people communicate and influence all the steps of travel planning behavior. In particular, the convergence of social media, virtual reality, and physical space determines the development of a new perspective toward Mobile Social Media (MSM). This chapter will examine MSM concept and classifications, as well as possible applications in the tourism business. The last part of the chapter will discuss the actions travel organizations might undertake to exploit these mobile marketing applications.

5.1 Mobile Technology Influence on Travelers

In light of the influence of Information technology (IT) and social media on travelers' behavior examined in Chap. 3, this section will focus in particular on the impact of mobile technology on the travel business with particular reference to Mobile Social Media.

People are nowadays increasingly connected to the Web and employ an extensive range of technologies and devices (PC and mobile) during the travel planning process (Parra-López et al. 2012; Xiang et al. 2014; comScore 2013).

As examined in Chap. 3, the development of mobile technologies affects in different ways the travel planning behavior. In particular, the opportunity of having a mobile connection moves some of the planning operations from the pre-trip to the during-trip phase (Xiang et al. 2014), especially in the case of high experience customers or already known destinations (e.g., research of attractions, restaurants, maps, etc.) (Jun et al. 2007). Indeed, thanks to Global Positioning Systems (GPS) technologies (i.e., location-based mobile Apps), tourists can make easily real-time decisions about various services directly at the destination: travelers can manage unexpected situations and complete travel activities more efficiently and effectively (Wang et al. 2012). Among various mobile devices, smartphones provide a wide range of information services that can support both basic travel activities (such as

planning, reservation, and navigation) and many “micro-moments” (Wang et al. 2012) (e.g., looking for a restaurant, a city guide, the location of the hotel, local transportation). Furthermore, during the trip travelers share also their experiences. A study of Wang et al. (2012) on customer reviews of smartphone applications reveals that the use of smartphones mediates the touristic experience by changing behavior and emotional states. People become “mobile storyteller” (Klastrup 2007): they can create context-related information (Buhalis and Foerste 2013) and share real-time experience (Qualman 2012; Litvin et al. 2008) by means of mobile devices.¹

The cited trends are enhanced by the increased technical improvements in mobile phones (e.g., smartphones), more and more able to support a vast number of applications and characterized by advanced functionalities. Therefore, modern mobile devices such as smartphones and tablets, combined with the Internet connection, and improved with the opportunity to share user-generated content, represent powerful channel to communicate with travelers. For travel companies and destination management organizations this is a remarkable business opportunity, in order to undertake a subtler service differentiation, to improve travel experience, satisfying existing customers, and acquiring new ones.

5.2 From Virtual Reality to Augmented Reality

Before going on in the analysis, it is necessary to highlight the evolution of main theoretical interpretations and key technical improvements that have permitted the spread of mobile marketing.

One of the main research topics has concerned the relationship between “real environment” (Han et al. 2013) and digital technologies. In particular, during the last decades two different perspectives have emerged with reference to the relationship between virtual space and reality (Mandelli and Accoto 2012), leading to the conceptualizations of the concepts of “virtual reality” and “augmented reality” (Weiser 1991).

Virtual Reality (VR) is an environment similar to the real world in which the user is “totally immersed in, and able to interact with, a completely synthetic world” (Milgram and Kishino 1994). This concept implies the attempt to reproduce real life in a virtual space.

On the contrary, Augmented Reality (AR) has the purpose to enhance the surroundings of the user with virtual information that is registered in 3D space and seems to coexist with the real world (Azuma et al. 2001; Yovcheva et al. 2012). AR provides a medium of interaction where virtual objects are part of the real world (a mixture of reality and virtual reality). Milgram and Kishino (1994) conceptualized the so-called “virtuality continuum” from reality to virtual reality and in

¹ For major insights on the topic of Mobile storytelling see Chap. 3, Sect. 3.4.1.

between they positioned various level of Mixed Reality (MR). Augmented Reality (AR) is considered the most known form of Mixed Reality.²

Virtual reality and Augmented Reality share the features of interactivity and three-dimensional images but they also reveal some evident differences. First, they present a different level of immersion. As previously mentioned, in VR the user is totally immersed in a synthetic world while in AR the user does not lose a sense of presence in the real world because virtual factors are supplements of reality. Second, VR limits the user's physical movement while AR implies portability of the virtual system that can be also embodied in physical objects (Ma and Choi 2007).³

AR variety and widespread are increasing due to recent advancements of IT and improvements of Internet connectivity that have generated a growth of the quantity of both sensors embedded in physical products (e.g., automobiles, electrical appliances, tourist attractions) and of mobile devices able to read them (e.g., smartphones, tablets). Therefore, due to the intrinsic features of AR and to recent technological developments, the term Mobile Augmented Reality (MAR) was coined to describe the combination of mobile technologies and AR.

Among various devices, in particular smartphones combine in one small device all necessary technologies needed for AR (Wang and Xiang 2012). Therefore, in light also of their remarkable penetration index in almost all modern countries (Boston Consulting Group 2013), travel companies should consider the most appropriate ways of employing smartphones as a channel of communication with travelers.⁴

In practice, Mobile Augmented Reality (MAR) allows travelers (owners of a smartphone) to point the device toward a physical object in the surroundings and visualize different type of content and information according to the application (videos, images, text). An example is the use of smartphones as a QR code (Quick Response Code)⁵ scanner in order to display on the screen basic and supplementary information (text, audio, video) about a product or, generally speaking, an object. In the tourism sector QR codes are employed by suppliers (hotels, restaurants, museums, etc.) and destinations to improve customer service and to provide additional information. For instance, most popular cities (e.g., New York, Paris, etc.) provide QR codes embedded in specific supports (sometimes in decorative ceramic panels) near main attractions that allow accessing to the city guide. The content provided could concern the description of a specific attraction or, more in general, the city history and culture, or a map with various itineraries (e.g., cultural,

² For an historical overview of Augmented Reality see Höllerer and Feiner (2004).

³ This operation is called the "Internet of Things" and refers to the action of embedding in physical products sensors that connect them to a network of computers, producing data (Chui et al. 2010). For a Review of the concept see Baoyun (2009).

⁴ For major insight on Augmented Reality applications to Urban heritage tourism see Han et al. (2013) and Jung and Han (2014).

⁵ A QR code is a two-dimensional barcode readable by mobile phones after having downloaded a specific application. It allows to access additional information about the object/product where is located.

religious, wine, food, etc.). Sometimes, QR codes are also embedded in the pavement of the street in particular “point on interest”.

Another example of Mobile Augmented Reality (MAR) is the opportunity offered by smartphones to point a mobile device toward a physical object in the surroundings and visualize different content also without a QR code. This technology is today often linked to mobile wearable devices. In this case, sensors are embedded also in accessories that people can wear. A very popular example is that of Google glasses. This device allows users to visualize additional information about an object they are watching at in the surroundings by means of specific gestures (i.e., opening and closing eyes). Other forms of wearable devices are bracelets (e.g., Samsung Galaxy Gear), watches (e.g. Apple Watch), rings, apparel, etc. If compared with smartphones, wearable devices are in the step of development, but recent statistics shows high growth potentiality of these devices.

5.3 Social Media and Mobile Media: Mobile Social Media

The development of mobile devices connected to the Web, along with the convergence of social media, virtual reality, and physical space, determines a change of paradigm toward the so-called Ubiquitous Social Media (USM) (Mandelli and Accoto 2012) or Mobile Social Media (MSM) (Kaplan 2012; Buhalis and Foerste 2013). In particular, the combination of social media and mobile technology changes the way people communicate. New forms of socialization based on proximity, mobile tracking and location-based services such as GPS are developing. According to Buhalis and Foerste (2013) the advantages of social media marketing combined with contextual marketing into social (So) context (Co) and mobile (Mo) marketing (SoCoMo marketing) represent a valuable opportunity for travel firms.⁶

As briefly summarized in Sect. 5.1, and more in-depth analyzed in Chap. 3, travelers’ planning behavior and experience are heavily influenced by the opportunity to search information and share content provided by mobile technologies, especially during the trip. Moreover, the widespread of mobile applications, more and more characterized by a social inclination, contributes to further influence this impact.

Mobile Social Media (MSM) can be defined as “a group of mobile marketing applications that allows the creation and exchange of user-generated content” (Kaplan 2012). Mobile social media applications can be classified on the basis of two variables: location sensitivity considers whether the message takes account of the specific location of the user while time sensitivity reflects whether the message is received and processed by the user instantaneously or with a time. According to these variables Kaplan (2012) proposes a matrix that classifies four kinds of MSM (Table 5.1):

⁶ According to the authors “SoCoMo marketing” has some advantages for both suppliers and consumers. For more insights about the “SoCoMo marketing” conceptual framework see Buhalis and Foerste (2013).

Table 5.1 Classification of MSM

<i>Time sensitivity</i>	Yes	Quick-timers Social networks (e.g. Facebook) Virtual communities (Blogs, micro-blogs) (e.g. Twitter)	Space-timers (e.g. Foursquare, Facebook places)
	No	Slow-timers Collaborative projects (e.g. Wikipedia, Wikitravel) Content communities (e.g. Youtube, Pinterest)	Space-locators Travel review websites (e.g. TripAdvisor, Yelp)
		<i>No</i>	<i>Yes</i>
		<i>Location-sensitivity</i>	

Source adapted from Kaplan (2012). With kind permission from Elsevier

- *Slow-timers* refer to applications that are neither location nor time sensitive. A mere transfer of traditional social media applications to mobile applications occurs. The only one new element is the use of a mobile device but no additional value is given due to the location or timing. For example, a user that read a Wikipedia entry;
- *Quick-timers* concern traditional social media applications that “go mobile” but in this case, in order to improve immediacy. For example Facebook, Twitter, or LinkedIn have mobile applications with the intention to give their users the opportunity to interact real time with their networks of friends or colleagues;
- *Space-locators* refer to applications that consider the exchange of messages with particular reference to one specific location but the message can be read also by others in a subsequent moment. An example is TripAdvisor where travelers can publish their reviews about a specific place (a hotel, a restaurant, etc.) but they do not expect an immediate response to the message;
- *Space-timers* are the most sophisticated form of MSM applications because they take into account time and space simultaneously. In this case, one specific location and one specific point in time are relevant for the message exchange. Foursquare and Facebook Places are suitable examples for this category. Users who “check-in” in a certain place (i.e., a restaurant, a hotel, etc.) want to communicate with their friends their location at that time. Foursquare has 45 million users and counts all over the world 5 billion check-ins.⁷ Recent statistics on social media in U.S. (Nielsen 2012) classifies Foursquare in third position after Facebook and Twitter. Obviously, even though the distance respect to

⁷ Foursquare is a location-based social network for mobile devices (e.g., smartphones). Users can “check in” in a place nearby, on the basis of GPS software provided by the mobile device. Moreover users can post messages, photos, recommendations, etc. Each check-in awards the user points to obtain “badges” (e.g., adventurer, explorer, etc.), discounts and special offers. Foursquare provides specific business services for firms (e.g., advertising) and statistics. For more insights see <http://www.foursquareitalia.org/2013/12/20/2013-fine-anno/>.

these two other social media is yet remarkable, Foursquare has shown a growth respect to 2011 of 118 % of users. According to another report (PewResearchCenter 2013) Instagram seems to be the most engaging social media: 63 % of Facebook and 57 % of Instagram users log in daily.⁸

However, if we apply the proposed classification, we may notice difficulties of interpretation. Instagram and Flickr, for example, are applications that allow to take visual content (photos and videos), and immediately (if set as automatic) to share them on various social media (e.g., Facebook, Twitter, Foursquare, etc.). Users can customize the mix of social media where they want to publish their visual content and can opt for real-time sharing of the location with the network of friends. These new location-based services and real-time functionalities make Instagram and Flickr more similar to space-timers rather than to the category to which other content communities belong (slow-timers). Facebook Places itself it is none other than the improvement by Facebook of location-based services for users.

Due to the proliferation of new applications that offers location-based services, the “Foursquare model” is changing toward a more “social” direction. This is confirmed by the launch in May 2014 of the new application Swarm that has consolidated all the functions of sharing and check-ins.

We can notice an ongoing differentiation trend of new vertical applications that offer geo-localization. Many new operators are in some ways related to the travel business that is one of the most represented sectors.⁹ Indeed, by now almost all main travel mobile applications ask for the users’ location in order to provide location-based services such as find services and friends nearby, look at rankings and ratings, read recommendations and share user-generated content (e.g., TripAdvisor, Expedia, etc.). Moreover, also navigation services are moving from the basic service of “providing directions” to more “social” functions that allow users to find friends nearby (e.g., Waze). Therefore, we remark that kinds and scopes of mobile social media applications are rapidly changing. Further research will help to identify the future directions and classifications trends.

5.4 Mobile Social Media Marketing in Tourism

In a context where social media is driving the power toward consumers, the proliferation of mobile social media, especially of space-timers, might return some of that power back to companies (Kaplan 2012).

Travel companies are increasingly dealing with travelers who use more than one device at the same time (mobile and not mobile) for travel planning. It is called “three screens” because individual while having a mobile device on hand, watch TV,

⁸ This report does not consider the mobile social media Foursquare.

⁹ According to Foursquare: see <http://www.foursquareitalia.org/2013/12/20/2013-fine-anno/>.

use a tablet, and maybe also a laptop. This behavior has become an integral part of consumer routines, especially for the activity of social networking (Nielsen 2012).

Although the percentages can be slightly different on the basis of age (young travelers prefer to use smartphones while young adults and adults prefer tablets), the time spent planning and experiencing leisure travel in the mobile environment by tourists is increasing (PhocusWright 2013). Moreover, as examined in the previous section, location-based services are considered more and more important by travelers. Therefore, tourism organizations should take seriously into account which kinds of actions to develop in order to exploit this opportunity.

Even if smartphones and mobile devices allow connecting to the company website through the Web, the optimization of the website for screens of mobile devices and the creation of specific mobile applications turn out to be particularly important. In the first case, the company will develop a mobile version of the website that contains generally less content, but selected on the basis of the users' needs, and that allows consulting easily information on a mobile screen. In the second case, the travel operator will create a specific mobile application for Apple, Windows Mobile, and/or Android, that can be downloaded free or on payment. For example, many airlines have mobile websites studied to be easily accessed for basic operations such as booking and check-in for a flight. At the same time, airlines have also mobile applications with similar purposes. The main difference is that the application is downloaded into the device creating a direct connection between the firm, the brand, or the product and the traveler, without necessarily entering in a browser.

However, considering that tourism is a temporary activity, travelers may prefer to simply connect to the website instead of downloading all the applications of single services in the area. For example, people that travel a lot by train or loyal customers may prefer to download the application of the transportation company to easily access, find information on the schedule, and record transactions. On the other hand, a traveler that uses the train only during holidays might prefer to find information online (web/mobile) on the website, without creating an account.

Independently of the decision to develop or not a mobile application, travel suppliers can exploit specific features of mobile social media in order to improve market research, communication activities, sales promotions, and relationships (Kaplan 2012).

First, Mobile Social Media (MSM) provide additional information about customers that consent to share the location. Statistics related to the number of check-ins per day and per time of the day, and comments, combined with users' profile information and sophisticated data mining techniques, enable companies to further refine segmentation and service differentiation. For example, knowing the moment of the day the customer visits the restaurant, a firm could promote specific services on Foursquare in the sections about offers. A loyal customer who every Friday has dinner at the same restaurant might appreciate a notice about the special menu of the day.

Second, MSM represents a way to communicate with customers. Being able to identify people that are nearby, tourism organizations could decide to communicate

upcoming events of the day (e.g., a concert, a festival). A hotel could update their guests with a list of “the best things to do today” on the basis of their location. Moreover, customers could be informed about possible activities organized at the hotel. By means of these kinds of actions, MSM can represent an instrument to engage users and generate viral content.¹⁰

Third, mobile tracking and location-based services allow customizing promotions according to both the location and the time period. For example, in occasion of a special event, an airline in partnership with other tourism operators of the destination could employ MSM in order to incentive specific services through specific vouchers. Lufthansa, for instance, created a promotion on Foursquare for travelers participating to Oktoberfest. The Museum of Modern Art of New York (MoMA) during the exhibitions “Henri Labrouste e Le Corbusier” organized a treasure hunt about New York architecture. Some itineraries were organized and the 21 stopovers were registered as venues on Foursquare. MoMA gave clues by Facebook and Twitter and people who checked-in at the venue received a discount of 5 \$ on the Museum ticket.

Fourth, travel operators could enhance long-term relationships with customers. A firm could award customers after a determined number of check-ins with the status of “mayor” of a place. This could be linked to special benefits like free services, discounts, etc. A company could also decide to link its loyalty program to Foursquare, in this case providing additional benefits, reward points, or specific badges. Starwood Preferred Guests was the first hotel fidelity program to be combined with Foursquare and guests who checked-in at a hotel of the group obtained various benefits (e.g., discounts, free stays, etc.).¹¹

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¹⁰ For more insights about viral marketing see Chap. 4.

¹¹ This is an example of the so-called “gamification” an emerging trend that implies “using game-thinking and game mechanics to engage an audience and to solve problems in a non-game context” (Xu et al. 2013).

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Chapter 6

Social Media Metrics and Analysis

Abstract Information Technology progress and Social media spread, as well as Mobile Social Media development, examined in previous Chapters, contribute to the increasing availability of a large amount of multimedia structured and unstructured content about customers and prospects (called “Big data”). Travel organizations able to gather, analyze, and interpret this information have the opportunity to enhance customers’ knowledge, and consequently, to improve service differentiation and personalization. The synchronization with various target markets allows creating a competitive advantage and increasing financial and operational performance. Therefore, a key issue turns out to be the definition of the most appropriate social media metrics able to evaluate social media performance and, if combined with other measures, to support and improve business strategies.

6.1 Learning from Customers: “Big Data” and Customer Profiling Opportunities

Advancements of Web 2.0 allow companies to capture an increasing volume of data and information about customers, suppliers, and operations, produced during the transactions.

Social media sites contribute to the growth of multimedia content, and, in turn, to the exponential increase in the amount of data (called “Big data”). Blogs, social networks pages (e.g., Facebook, Twitter) record every second data, actions, images, videos, locations, etc. Almost all users’ actions on social media websites (clicking, reviewing, post on a blog, etc.) can be recorded as data (Lovett 2011) more easily and cheaply than in the past. Furthermore, as examined in Chap. 5, IT and Internet connectivity improvements have determined a growth of the quantity of both sensors embodied in physical objects (the so-called “Internet of things”) and new sophisticated mobile devices (i.e., wearable devices) able to read them.¹

¹ For major insights on the topic of “Internet of things” see Chap. 5, Sect. 5.2 “From virtual reality to augmented reality”.

IT progress and Web 2.0 provide firms large quantities of customer information that then can be stored and analyzed to create value. In particular, the availability of an increasing volume of data allows organizations to improve customers' profiles knowledge and, consequently, make decisions related to segmentation and product differentiation. The analysis of user-generated content (ratings, reviews, videos, etc.) of various market segments, combined with other information about customers coming from transactions, allows to differentiate and personalize the service offered to target segments of each booking channel respect to competitors (Varini and Sirsi 2012).

The synchronization of companies with "social" consumers' expectations turn out to be very useful in an environment where customers acquire an increasing power to drive the conversation with the firm, influencing its marketing and sales activities. Knowing target markets' expectations and profiles, companies can develop supplementary services in order to personalize the tourism experience. A large part of travelers are aware of this opportunity. Maybe at first they were a little bit scared, but now they (especially those with a higher experience) expect the tourism website to reference to their past experiences to personalize the offer (PhocusWright 2013).²

Obviously, the opportunity to better segment the market by learning from customer characteristics depends on the ability and the motivation of the company to gather and organize information in a unique and integrated CRM database. This is the starting point to be able to access, analyze, and use data in order to define business strategies. However, as examined in Chap. 4, sometimes companies have not sufficient competencies and resources (Law and Jogaratnam 2005; Law et al. 2008; Milano et al. 2011; Leung et al. 2013).³ For example, the aforementioned study conducted by Varini and Sirsi (2012) pointed out that interviewed firms do not have a unique repository of customers' data. On the contrary, the ability to quickly analyze this huge amount of information produced by IT and more traditional systems, in order to make business decisions, represents for travel companies a way for creating a competitive advantage and increasing financial and operational performance (McAfee and Brynjolfsson 2012).⁴

In light of these trends and opportunities, next sections will examine the concept of "Big data" and how travel organizations can select and organize data in order to develop appropriate analytics.

² The survey of PhocusWright considers travelers' experience on the basis of the number of trips per year (1–2, 3–5, 6 or more). 39 % of travelers defined as expert (6 or more trips) agree/strongly agree with the affirmation: "I expect travel websites to reference my past activities to personalize offers for me" (PhocusWright 2013).

³ The topic of the adoption of IT by travel companies is examined in Chap. 4, Sect. 4.3.4 "Electronic Customer Relationship Management (eCRM) in tourism and hospitality".

⁴ McAfee and Brynjolfsson (2012) created a team of researchers with the MIT Center of Digital Business and McKinsey to understand if a proper use of Big data can increase companies' performance. They found that data-driven companies were characterized by better financial and operational performance indicators.

6.1.1 The Evolution of Analytics: “Big Data”

“Big data” is relatively a new term used to define the explosion of the amount of digital data currently available. It is generally considered an evolution of analytics and refers to “datasets whose size is beyond the ability of typical database software tools to capture, store, manage, and analyze” (McKinsey 2011).

Some key essential features of Big data can be identified that differentiate this concept from traditional corporate databases and data warehouses (McAfee and Brynjolfsson 2012):

- *volume*, the amount of data is increasing exponentially and every second on the Internet we store more than what was collected 20 years ago⁵;
- *velocity*, refers to the speed of data creation. Nowadays, data on the Internet are nearly real time and offer companies the opportunity to be more flexible and react immediately to business opportunities and threats;
- *variety*, data take different forms, they can be structured and unstructured and they can come from diverse sources (not only internal and historical). Social media, smartphones and in general mobile devices provide a large amount of different and unstructured data about people, activities and locations (e.g., messages, images, videos, sensors reading, GPS signals).

Analytics and reports, as traditionally intended, are only one part of Big data analysis process. Therefore, the analysis of both internal structured and external unstructured available information should be jointly considered to fully exploit the opportunities of Big data (PhocusWright 2014). Internal structured information refers mainly to accounting, transaction, and customers’ data, while unstructured external data are information provided by social media (e.g., social networks, blogs, virtual communities, and travel review websites).

Social media and mobile devices offer a large amount of information about both customers and prospects (e.g., personal user information, geolocation data, social graphs, user-generated content such as reviews, rankings, posts, tweets, machine logging data, and sensor-generated data). Differently from customers, prospects are connected with the company on social media but they are not yet customers (i.e., Like on Facebook). Data coming from these online relationships can be very useful to learn about potential customers’ profiles in order to attract them with personalized offers and promotions. For example, by analyzing Facebook users’ nationalities, a hotel could realize the existence of a new market segment and could start studying its potentialities of development.

Some travel companies have recently started to exploit Big data opportunities. For example, some hotels create very detailed customer databases composed by structured and unstructured data to be able to anticipate needs, especially of loyal customers (e.g., luxury hotels). Moreover, softwares like ReviewPro and TrustYou

⁵ The volume of data is relative and depends on the type of organization.

crunch unstructured data from thousands of travelers and can be used by hotels to analyze their online reputation.

Therefore, measuring and proceeding Big data can be very helpful for travel companies to make better predictions and, in turn, better decisions. The central question is how to identify the most appropriate methods to adopt. Next section will try to give some insights about Big data analysis process.

6.1.2 Big Data Analytics

The starting central issue in the development of Big data analytics is understanding how to collect and organize data to be able to translate them into business advantage. Traditional tools and technology seem to be no longer enough (PhocusWright 2014). The large volume of data available implies for travel companies some challenges for both storage and process activities. Fortunately, advances in IT satisfy this need and help companies to measure Big data, thanks to new technological instruments able to analyze semi-or unstructured data. They provide access and process of information located in multiple separate computing devices as if it is on a single device. Main tools that allow this measurement are NoSQL, Hadoop, and MapReduce, along with Semantic web.

NoSQL “Not Only SQL” represents a shift from “structured query language” SQL, the most common language for accessing databases. It allows to process data of various type and size, splitting large databases across multiple computers to enable real-time parallel searching (Mayer-Schönberger and Cukier 2013). NoSQL systems “are distributed, non-relational databases designed for large-scale data storage and for massively-parallel data processing across a large number of commodity servers” (Moniruzzaman and Hossain 2013). They have been increasingly employed by main Internet companies like Google, Amazon, and Facebook in order to collect and to process real-time a large volume of unstructured data.

Hadoop by Apache is an open-source framework that manages high volume of data and enables utilization in computing format. Both firms and social media use this system to store, analyze, and process information in real time. MapReduce is a set of programming libraries that works with Hadoop to analyze and map unstructured data to key values.

The combination of Web 2.0 and semantic web generates the so-called “social semantic web.” A new class of applications that can “leverage the semantic relations that exist between certain kinds of web-accessible data to automatically locate and fuse information, perform basic reasoning and pivot and transform representations to meet a wide variety of user needs” (Mika and Greaves 2012).⁶

⁶ For major insights see the special issue of the Journal of Web Semantics (2012) vol. 6(1). Berners-Lee and Fischetti (1999) defined semantic web as follows: “I have a dream for the Web [in which computers] become capable of analyzing all the data on the Web—the content, links, and transactions between people and computers. A “Semantic Web”, which makes this possible, has

But “it is not so much about the volume of data that is stored, but rather the ability to use stored data in a meaningful way” (Lovett 2011). Big data measurement allows firms to extract value from data in order to improve the service provided and enhance internal operations. Hereafter, some examples concerning how Big data analysis can support firms and create value will be examined.

Provide real-time information. Big data real-time processing allows companies to provide more detailed and personalized information to consumers. For example, transportation companies are able to monitor the real-time position and possible delay of trains and airplanes. This permits to give updated information to customers on the corporate websites or on specific mobile applications improving Social Media Customer Care (SMCC). By means of online devices, users can verify in each moment where the train is, possible delay, and can receive notices and SMS directly from the airlines or the airport about air schedule and gates changes. Moreover, all data are recorded and then can be used to improve internal operations organization, market analysis, predictions, and consequently to refine future corporate decision making.

Provide recommendations. Various firms and social media analyze Big data, in particular users’ buying patterns, in order to provide recommendations to consumers and prospects. An example is the function of LinkedIn “people you may know” similar to that of Amazon, Booking, Expedia, TripAdvisor, etc.: “People who have viewed this item have also viewed...”. Furthermore, the access to social media personal information of customers offers also opportunities to further refine the recommendation process. Some airlines, for example, give customers the possibility to choose where to seat during the online check-in procedure consulting the Facebook profiles of other passengers who have already checked-in online.

Social graph analysis. Social media provide not only information about single users but also about social graph, that is the existing connections among people and the influence they have each other. The opportunity to analyze and combine this large amount of digital data allows some types of companies to improve customer service. For example, Facebook in March 2013 launched “Facebook Search Graph” an improved and new search method for users, for the time being available in the U.S. It combines unstructured internal data acquired from its users and external data into a search engine providing user-specific search results. “Facebook Search Graph” is based, as the previous research function, on relationships and connections among users, but the search method has changed focus: from keywords to semantics. In practice, it is designed to match phrases and not keywords. For example, a user can search “Photos of my friends in New York” and Facebook will display all the photos the user’s friends took in New York and that were shared with him or her. Users can also make researches that go beyond the friends’ network. For example, they can look for “people who live in a certain city” and Facebook will search in the connections

(Footnote 6 continued)

yet to emerge, but when it does, the day-to-day mechanisms of trade, bureaucracy and our daily lives will be handled by machines talking to machines. The “intelligent agents” people have touted for ages will finally materialize” (Berners-Lee and Fischetti 1999).

among friends and “friends of friends”. Since the launch of this new function, privacy concern arose. The mechanism is the same of ever: by properly managing privacy options, users can determine what friends and other people can see when searching on Facebook.⁷

Sentiment analysis. The analysis of unstructured data coming from social media and online conversations can help travel companies to determine the “sentiment” toward a product, service, destination, company, etc. Results of sentiment analysis can be wealthy information that can help firms manage possible complaints, improve the service, as well as monitor brand online reputation. They represent a way for firms to tune in with the market.⁸

Marketing insights. These kinds of analyses allow firms to monitor the results of specific marketing actions. For instance, an advertising campaign can be controlled in order to understand its effectiveness. Facebook advertising monitoring (provided by Facebook Insights) presented in Chap. 4 represents an example.

Other possible analyses could regard churn management. Data mining can help firms to calculate the churn rate⁹ and to develop churn predictions (Hung et al. 2006). Moreover, Big data are available also for competitors and this allow companies to monitor the companies of a predetermined competitive set.

6.1.3 It is Not Only About Technology, It is About People

The previous section highlighted the opportunity for firms to collect and analyze a large amount of data about customers and prospects, provided by advanced technology tools. However, in order to transform data into meaningful recommendations and to make successful business decisions, data have to be selected and interpreted (Lovett 2011). Among various raw data extracted from social media, the company should consider only valuable information, respect to its business objectives. On the contrary, data overload could generate a sense of frustration and discourage the management to undertake measurement operations.

We can identify some actions a firm can realize to successfully analyze Big data:

- register Big data;
- select data really important for the organization;
- interpret data in order to understand results (success vs failure);
- assure a proper communication within the organization;
- learn from data to develop recommendations for future strategies.

We immediately notice that most of the aforementioned actions imply a human intervention directed to filter the large quantity of data available, in light of the

⁷ The topic of privacy implications will be examined in Sect. 6.5.

⁸ For major insights about the topic of sentiment analysis consult Sect. 6.3.

⁹ Churn rate is the percentage of subscribers to a service that decide to interrupt their subscription in a given time period.

importance for the organization. Therefore, the staff in charge of data analysis plays a key role in determining the most appropriate metrics able to support the firm in decision making. Data analytics is not a mere operational function that can be carried out by a very restrained group of people, maybe of one single department or even outsourced. Given the importance of selection and interpretation of raw data, firms should preferably commit this function to a group of employees that represents main corporate departments with their different perspectives. Moreover, the results of measurement should then be shared with the rest of the staff within the firm. Internal communication by means of a clear and synthetic reporting that summarizes successfully and unsuccessfully actions and identifies future directions can involve employees in the organization's life.

As examined in Chap. 4, and previously in this chapter, we notice a restrained propensity of travel companies to adopt IT, to analyze data, and to develop metrics, sometimes due to a lack of knowledge and/or to insufficient resources. Moreover, research points out that many tourism organizations adopt a social media approach based on single social media projects that are not always linked to the whole business strategy.

In light of the observations stated in the first part of this section, travel companies should grasp the opportunity offered by social media to gather and analyze unstructured users' information in order to develop appropriate metrics. The combination of these social media metrics with other internal measures is a critical factor to improve business strategies. Therefore, a first issue travel companies should consider is the opportunity to develop a measurement process characterized by proper technological equipment able to register the large amount of data available. Second, the appropriate group of data analysts should be identified in order to select and interpret data considering various objectives for each department. Finally, metrics produced by the analysis should be summarized in reports able to describe results of business actions, ongoing trends, and possible future actions to be undertaken for each department.

6.2 Social Media Metrics

The definition of the most suitable metrics to be used for evaluating social media performance is a controversial issue among operators. As previously mentioned, the selection of data that a firm retains to be important depends on the type of business and on the firm's features and objectives. However, the uncertainty about which are the most appropriate data to consider, generally caused by a not clear definition of social media marketing objectives, along with the large quantity of data available (data overload), can represent a barrier for the development of social media measurement (Gillin 2009).

The development of social media implies a change of perspective about metrics: from more traditional web analytics, based on number of pages views and clicks, to

more recent social media analytics, on the contrary more based on conversations that occur in the online community.

Within social media measurement, we can identify a framework of analysis composed by four different kinds of metrics (Lovett 2011): foundational metrics, business value metrics, outcome metrics (KPIs), and counting metrics.

Next subsections will examine more in-depth the meaning, the calculation, as well as the methods of employment of these metrics. They are not distinct measures but they should be selected, integrated, and combined for each category with a clear business objective.

6.2.1 Foundational Metrics

Foundational metrics are a group of measures that represent the basis for business value metrics and outcome metrics because they help to build specific key performance indicators for each goal. They are cross measures that persist across channels and marketing activities. This allows making comparisons among media and specific marketing actions.

Lovett (2011) identified five main foundational metrics: interaction, engagement, influence, advocacy, and impact.

Interaction assesses people that reply to “call to action” and participate to a marketing activity. It comes from number of views, comments, shares, etc. They can be measured for one single activity or more and for a specific media or across multiple channels.

Engagement evaluates the degree of people participation and involvement to the conversation. Therefore, it is different from interaction that quantifies only the replies to specific incentives. However, we notice sometimes confusion in the distinction between these two concepts that impede the development of shared measures among organizations.

Influence represents the power of one person to influence one or more others on a topic, a brand, etc. Also in this case the concept is interpreted in different ways by various businesses and social media. Therefore, it is difficult to find a unique and shared measure of influence.

Advocates represent people who are so engaged with a company, brand, etc. to become promoter. It is the result of the ability of the company to create an authentic dialog with customers. The measures of advocacy are generally connected with a combination of sentiment analysis and metrics that reflect commitment of people toward a company, a brand, or a product.

Impact measures the ability of a firm to reach its business objectives. Generally, the most employed metric among financial measures is Return on Investment (ROI). The impact of a social media activity can be measured assessing expected outcome against a specific goal. For example, if the starting objective of an advertising campaign on Facebook is to acquire a certain amount of new customers, a measure of impact is the result of total exposure of the marketing activity divided

by total new customers' acquisitions (Lovett 2011). However, ROI can measure short-term, single activities related to specific marketing actions on social media (i.e., a Facebook advertising campaign). It cannot be a measure able to give the total impact of the overall social media activity (Cosenza 2014, Mandelli and Accoto 2010). Indeed, some marketing activities on social media cannot be measured in terms of financial metrics related to the return of investments (e.g., crisis management by means of Twitter).

6.2.2 Business Value Metrics

Metrics that come from social media should be of value for various corporate departments that have their own business goals. Indeed, each department needs to measure the success or failure of specific social media initiatives. Among others, possible business value metrics can regard for example the impact on revenues and on customer satisfaction (Lovett 2011).

In the first case, the company could measure revenues generated by a specific social media marketing activity by considering online purchases. Coupons and special codes allow firms to monitor the effectiveness and conversion of a specific social media advertising campaign, offer or post. However, this means the development of prearranged measurement instruments design and attentive planning.

As mentioned in Chap. 4, social media have become instruments to develop customer care (Social Media Customer Care SMCC). The interactions generated on social media offer a large volume of data to be analyzed in order to monitor customer satisfaction and reasons of complaints. For example, online forms can be sent to customers or published on social media and be then automatically elaborated to provide managers customer satisfaction indexes.

SMCC measures can also help companies to make decisions about future investments. For example, if a travel company, by means of measurement activity, realizes that a vast majority of customers uses social media like Twitter and Facebook for customer care, it could decide to move part of the budget from traditional call centers to social media (e.g., social media training for employees of the call center, additional employees for the SMCC staff).

According to the business goals of a company, social media metrics planning can provide a proper range of measures for each department that should be considered in combination to make successful decisions.

6.2.3 Outcome Metrics

Key Performance indicators (KPIs) measurement is based on the previous examined foundational and business value metrics (Lovett 2011). They measure the degree of success of a company in reaching a specific marketing objective. For these reasons,

they can vary according to the type of business and to the kind of social media activity. KPIs metrics should be established in advance respect to the marketing activity to connect strategies and tactics in reaching a predetermined objective.¹⁰ If properly defined, outcome and business metrics can track the results of social media marketing actions over time, generating a benchmark.

Obviously, a firm can have different business objectives to which match KPIs. Among others, hereafter we will identify some examples starting from the classification of Lovett (2011).

A firm could be interested in measuring brand exposure that is the visibility reached after a certain marketing action. Brand exposure on social media is more persistent and amplified than on traditional media. Therefore, it is difficult to be controlled by companies. A measure of exposure is “Reach” that is the result of a calculation: the total amount of unique visitors of a certain post plus number of shares for each social media considered multiplied by the average number of friends of that social media:

$$\text{Reach} = \text{unique visitors} + (\text{shares on FB} \times \text{average number of FB friends}) + \dots$$

Another KPI employed to measure exposure is Share of voice that measures the brand mentions on social media (Likes, videos, tweets, etc.) among a competitive set. This metric can be calculated for a group of social media or for each medium, in this last case allowing a comparison. Share of voice can be calculated as follows:

$$\text{Share of voice} = \frac{\text{brand mentions}}{\text{total mentions (brand + competitor 1 + competitor } n)}$$

Share of voice is generally presented as a percentage and is measured on a given time period of time to allow historical comparisons.

Both Reach and Share of voice should be assessed before and after the marketing initiative to have an actual measure of exposure increasing.

Another goal of the organization could be to create a dialog with social media users. A measure of a company’s ability to create dialog is represented by Audience engagement that can generate multiple conversations and virality about a topic. This depends on comments and sharing activity by users but it is also the result of Reach. Therefore, we can consider the following two measures that can help firms to evaluate their ability to create a dialog about a topic, product, brand, etc.

Audience engagement represents the number of people that participates to specific marketing initiatives or to the life of a corporate page. By monitoring audience engagement, the company can identify hot topics.

¹⁰ Main social media like Facebook, Twitter, Youtube, etc. calculate automatically some outcome metrics (i.e. Reach, Page engagement, etc.).

$$\text{Audience Engagement} = \frac{\text{comments} + \text{shares} + \text{brand mentions}}{\text{total views}}$$

Multiplying Reach and Audience engagement, we obtain conversation volume that considers the number of unique visitors exposed to a specific brand (product, topic, etc.) conversation across one or more channels and their level of engagement.

$$\text{Conversation volume} = \text{Reach} \times \text{Audience Engagement}$$

If calculated for each social media or for each marketing initiative, these last two metrics allow a comparison of their effectiveness. For example, on the basis of the results of Audience engagement and Conversation volume measurement, a travel company could decide to employ Facebook for some type of topics and activities and Twitter and Pinterest for others.

A third example of goal a company can pursue on social media is to generate interactions: for example, call users to action by means of social media (e.g., ask for their collaboration by means of a contest). Results of this action can be measured by means of the two KPIs: Interaction rate and Conversion rate. The first one measures how many people start the process of interaction and, the second one, how many respond to the call to action respect to the total amount of people exposed to it. For example, a post on Facebook could ask for customers' participation (contest, opinion, etc.). Then, a user can reply to the company's request of activity, participating to the contest or giving their opinion (conversion), or simply he or she can interact with the company by means of like and share options without actually responding to the call to action (interaction). Calculations of these two metrics are the following:

$$\text{Interaction rate} = \frac{\text{people that interact to the call to action (likes, shares, etc.)}}{\text{total people exposed to call to action}}$$

$$\text{Conversion rate} = \frac{\text{people that respond to call to action}}{\text{total people exposed to call to action}}$$

Other metrics can help specific departments to understand the effectiveness of their activities. For example, in the case of SMCC is crucial to understand the response rate and timing (hours, days, etc.), the effectiveness, as well as the satisfaction. These metrics can help to support business activities and decisions. Hereafter, some examples of rates are reported:

$$\text{Issue resolution rate} = \frac{\text{issues resolved}}{\text{total issues submitted}}$$

$$\text{Issue response rate} = \frac{\text{total responses to inquiry}}{\text{total inquiry}}$$

$$\text{Customer satisfaction index} = \frac{\text{satisfied customers}}{\text{total customer feedbacks}}$$

Customer satisfaction indexes can be referred to single services or social media. They generally ask customers to give a score to different services offered on a scale of values (e.g., from 1 to 10).

Some firms go beyond satisfaction and try to stimulate advocacy that means to transform engaged and satisfied customers into promoters of a product, a brand, or a company. In order to reach this objective, sometimes firms develop the so-called ambassador programs, dedicated to a selected part of consumers to whom personalized services are directed. For example, main international hotel chains have created exclusive clubs and loyalty programs (i.e., Starwood Ambassador Program). The development of social media allows their extension by means of more and more personalized offers. In other cases, ambassador programs can be connected with particular events (anniversaries, launches of new products, etc.).

Results of these marketing actions can be measured in different ways. For example, a possible metric can be “advocates’ activity rate” that measures the members or participants’ level of activity to the program or to a specific event. A calculation generally applied is the following:

$$\text{Advocates activity rate} = \frac{\text{active advocates}}{\text{total advocates}}$$

Other metrics can be identified also to measure the results of crowdsourcing.¹¹ Companies may ask social media users to provide ideas to develop a specific product, an event, etc. sometimes supported by a contest. Measures in this sense can identify how many ideas are appropriate to the request and how many are the most appreciated by other participants.

6.2.4 Counting Metrics

Counting metrics refer to a large amount of data coming from single social media. They are called “raw data” because they come directly and automatically from the databases of social media without any elaboration (e.g., Likes, followers, number of visits, etc.).

Social media counting metrics are improving over time. They are increasingly available and can be exported by firms. Main social networks provide generally specific tools aimed at extracting all the available data allowing some sort of filtering functions and some kinds of elaboration (e.g., Facebook Insights). The continuous improvement of social media metrics tools represents definitely an advantage for firms even though sometimes this process may generate confusion in the comparing activity. For example, in the case of Facebook, the option “Like,” previously called “Fan,” was renamed by Facebook in 2010 “Like” in order to

¹¹ For major insights about crowdsourcing see Chap. 4.

simplify and standardize the choices that people have on the social networking site. The meaning is the number of unique people who like the specific Facebook Page. However, the calculation remains the same and the word fan has continued to be used by both Facebook and companies to create a sort of continuity. Moreover, in 2013, Facebook proceeded to a new restyling of Insights and some metrics were removed or split:

- “People Talking about this” was the number of unique people who have created a story about the Facebook Page. A user could create a “story” when liked a page, commented on, or shared the page post, answered a question the company have asked, responded to an event, mentioned the Page, tags the Page in a photo and finally checked into or recommends the Place posted on the company Page. This metric was split into separate elements: Page Likes, People Engaged, Page tags and mentions, Page check-ins, and other interactions on a Page (Facebook for business, October 2013).¹²
- “Friends of fan” was the maximum potentiality of exposure possible to be reached. It occurred when all the fans would have shared contents with others.

Despite, the discontinuity and the possible temporary confusion created with the past, the new version of Facebook Insights provides more punctual information and very valuable functions and opportunities. Section. 6.4 will examine the services offered by the new version of Facebook Insights.

Therefore, counting metrics cannot be “the one and only” data used by managers. However, they represent an important record, to be interpreted combined with other measures in order to make business decisions.

Sometimes the large quantity of data that can be extracted from social media metrics tools may worry managers and hinder the process of data interpretation.

6.3 Sentiment Analysis

The literature on the topic identifies two kinds of analyses for the assessment of conversations and opinions: sentiment analysis and opinion mining. The two terms are generally used as synonyms, even though they had a specific and parallel evolution (Pang and Lee 2008). Since 2001, the expression sentiment analysis started to be used to define specific applications aimed at classifying reviews on the basis of their polarity (either positive or negative). In 2003, the term opinion mining was used the first time to define tools that “process a set of search results for a given item, generating a list of product attributes (quality, features, etc.) and aggregating opinions about each of them (poor, mixed, good)” (Dave et al. 2003). Given the two definitions and the similarity of tasks, nowadays these expressions are generally

¹² For more information consult <https://www.facebook.com/business/news/pageinsights>.

referred to a more broadly concept that includes the “computational treatment of opinion, sentiment, and subjectivity in text” (Pang and Lee 2008).¹³

Sentiment analysis has become particularly employed in marketing measurement activities. The term “sentiment” refers to the polarity of the opinion toward a firm, a brand, or a product. It can be positive, neutral, or negative (Lovett 2011):

- *positive sentiment* identifies advocates and communities where the brand/product is well accepted;
- *neutral sentiment* allows the firm to understand in which communities conversations about a topic should be reinforced;
- *negative sentiment* helps companies to understand where a direct support is needed to improve dialog.

Sentiment analysis can be both manual (human) and/or automatic. Manual or human sentiment analysis requires the action of a human element into the analysis. It is more accurate than automatic procedures but obviously very time consuming. The advantage offered by human sentiment analysis is the opportunity to identify and interpret the true sentiment expressed also through abbreviations, sarcasm, emoticons, slang etc. On the contrary, automatic sentiment analysis employs complex algorithms that process text strings and determines the overall sentiment (either positive, negative, or neutral). They are less expensive and time-consuming than human analysis but they are unable to differentiate between subtle languages nuances.¹⁴

Automatic sentiment analysis can be operated by means of a wide range of tools, from more sophisticated and expensive (e.g., Radian 6, Sysomos, Alterian SM2, Buzztracker) to low cost solutions that can provide simpler services (e.g., Google Alerts, Social mention). The first type allows companies to monitor sentiment and conversations for multiple social media (Ceron et al. 2014a, b). The company has generally a reporting on a different base: real-time, daily, or period reports. Moreover, the firm can set specific rules to be warned in case of particular events. For example, if the conversation about a specific brand is generally 100, the system will warn the company in case of an exceptional increase. On the other hand, the second type of tool, low cost instruments, can be particularly helpful for small-medium size companies that are in the first steps of development of a social media approach.

A common solution increasingly employed by firms is a combination of the two practices (both automatic and human) in order to maximize efficiency and accuracy. A first automatic system analyzes text strings to identify positive/negative sentiment and then, in a second step, a human analysis occurs. New tools are developing to

¹³ For a review of literature of the concepts of opinion mining and sentiment analysis see Pang and Lee (2008).

¹⁴ Automatic sentiment analysis adopts “data scraping”: a technique that allows organizations to analyze unstructured data on third-party websites by means of a web crawler. It is a program searching content on web pages according to predetermined keywords. The crawler spider “traverses the web site starting from a given set of initial URLs and follows the links matching a given pattern to a certain depth” (Banic et al. 2013).

support this new mixed approach. For example, a study of Schmunk et al. (2013) propose a novel approach for automatically extracting and analyzing travel customer reviews that divides the mining task of sentiment analysis into different steps: recognition of property, recognition of sentiment, and recognition of subjectivity.

Sentiment analyses are frequently used in the travel sector to monitor online reputation and conversations. Some investigations employed automated methods. For example, Kasper and Vela (2012) developed a specific tool (BESOHOT) in the hotel sector to analyze and classify textual content of hotel customers' reviews. Other studies focused on hotel reviews are those of Banic et al. (2013) and Aureli et al. (2013). Some other investigations employed a mixed approach both qualitative (text mining and expert judgment) and quantitative approaches (correspondence analysis) in order to content-analyze the narrative and visual information on a sample of websites (Choi et al. 2007). Stevenson and Hamill (2012) undertook a social media monitoring exercise among ten most visited cities in the world.

Independently from the tool used (human or automatic), what is really important for the effectiveness of sentiment analysis is to define in advance main research questions and then create a set of key phrases/words related to research questions.

6.4 A Focus on Facebook Insights

Main social media are aware of the importance of analyzing Big data and offer to their corporate users a free instrument to manage the Page, in order to monitor performance and trends of conversations and to investigate users' profiles.

Facebook provides a tool called Facebook Insights that allows firms to consult Page metrics. Some of them can be consulted directly on the Facebook Insights dashboard while the overall amount of data can be exported (xls and csv format).

The most recent version of Facebook Insights launched in 2013 is composed by six sections: Overview, likes, Reach, Visits, Posts, and People (Facebook, July 2014).¹⁵

Overview section contains a general outlook of the page overall performance (Fig. 6.1):

- **Page Likes:** Total Pages Likes is the number of unique people who like the corporate Page. This section offers also the indication of the number of new likes the Page received during the last 7 days (New Page Likes), compared with the previous 7-day period;
- **Post Reach:** Total Reach is the number of unique people who have seen any content associated with the corporate Page, including ads, during the last 7 days. Post Reach shows the number of unique people who have seen the Page posts;

¹⁵ The analysis reported in this section was conducted in July 2014.

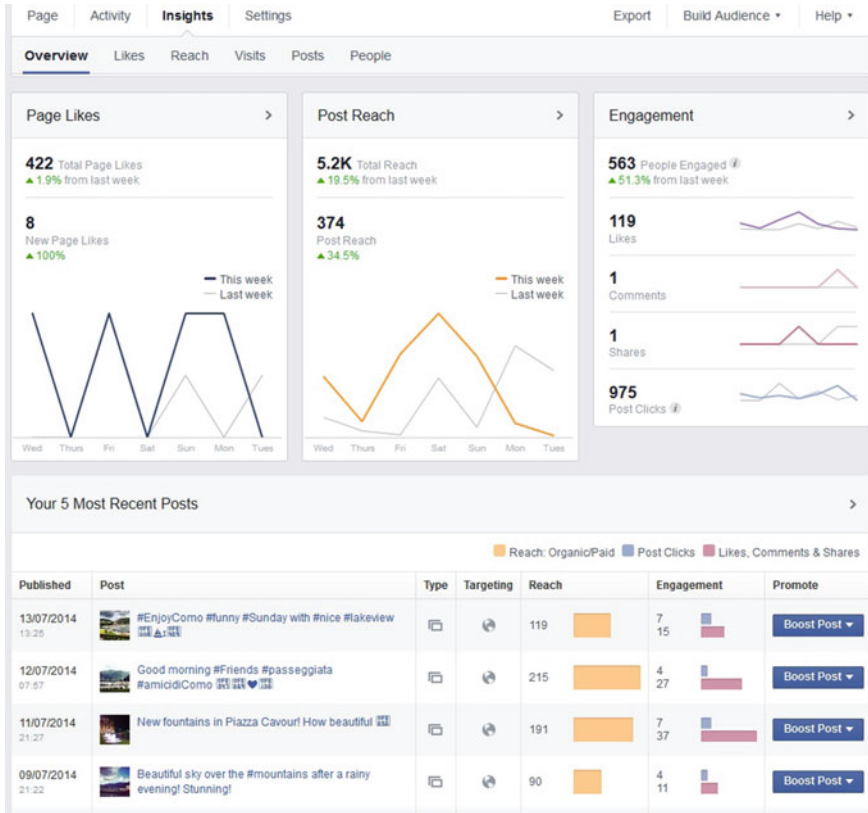


Fig. 6.1 Facebook insights: overview section. *Source* Facebook insights (July 2014), Hotel Metropole Suisse, Como, Italy

- **Engagement:** People Engaged is the number of unique people who have clicked, liked, commented on, or shared the firms' posts during the last 7 days. Likes, Comments, Shares, and Post Clicks show the totals for these actions during the last 7 days. The concept of Engagement was clarified in this new version of Facebook Insights. The previous calculation included all the cited actions in the same measure, while the new one split engagement in separated values: Post clicks, Comments, Likes, and Shares.

Finally, this section reports some metrics related to the five most recent firms' posts. Apart from the date and the identification of the Post, new filtering options were added in order to allow the selection of different Reach and Engagement metrics. For example, the firm can filter data about posts according to the kind of Reach (organic vs paid) or filter the various dimensions of Engagement and visualize which posts received the most likes or shares or which one were only clicked, in this last case demonstrating a lack on interaction and engagement of users.

Like section contains detailed information about Page Likes by means of three main graphs (Fig. 6.2):

- “Total Page Likes as of Today”. It helps firms to understand the growth trend of the Page Total Likes;
- “Net Likes: What Changed”. It is the result of Total Likes minus Unlikes. The graph allows also to visualize various types of Likes (Organic Likes, Paid Likes);¹⁶
- “Where Your Page Likes Came From”. It describes the number of times the Page was liked according to where this action happened: On Your Page, Uncategorized Mobile, Page Suggestions, Page Likes, Others.

New information provided by the updated version of Insights is the benchmark opportunity to compare the actual performance of the Page with the average performance between time periods. A company, for example, can compare the variation in average Page Likes from one period to the other.

Reach section allows comparing more easily the following data (Fig. 6.3):

- Post Reach shows the number of people who actually have seen the firm’s post (both organic and paid);¹⁷
- “Likes, Comments and Shares” is a graph that permits to analyze all these items on a daily basis;
- “Hide, Report as Spam and Unlikes” is a graph that offers an overview of the actions that negatively influence Reach: the number of people who hide content, indicate it as Spam, or simply unlike the page. The optimal situation is finding this graph completely empty. The last part of this section offer;
- Total Reach shows the number of people who have seen whatever activity of the Page (posts, check-ins, comments, etc.).

Visits section provides information about the type of users’ interactions with the Page content other than posts (Fig. 6.4):

- “Page and Tab Visits” shows the number of times various sections of the Page have been visited (Timeline, Likes tabs, etc.) and the number of posts;
- “Other Page Activity” refers to the number of actions of people that involved the Page (i.e., Page Mentions, Page tags);
- “External Referrers” shows the number of times people of websites other than Facebook came into the corporate Page (i.e., search engines, other websites).

¹⁶ The difference between organic and paid likes is the following: organic likes are the total number of people who liked the Page from unpaid distribution, while paid likes are the total number of people who liked the Page from a paid ad (web or mobile) or a sponsored story (Facebook, July 2014).

¹⁷ The difference between organic and paid reach is the following: organic reach is the total number of unique people who were shown the post through unpaid distribution, while paid reach is the total number of unique people who were shown the post as a result of ads (Facebook, July 2014).

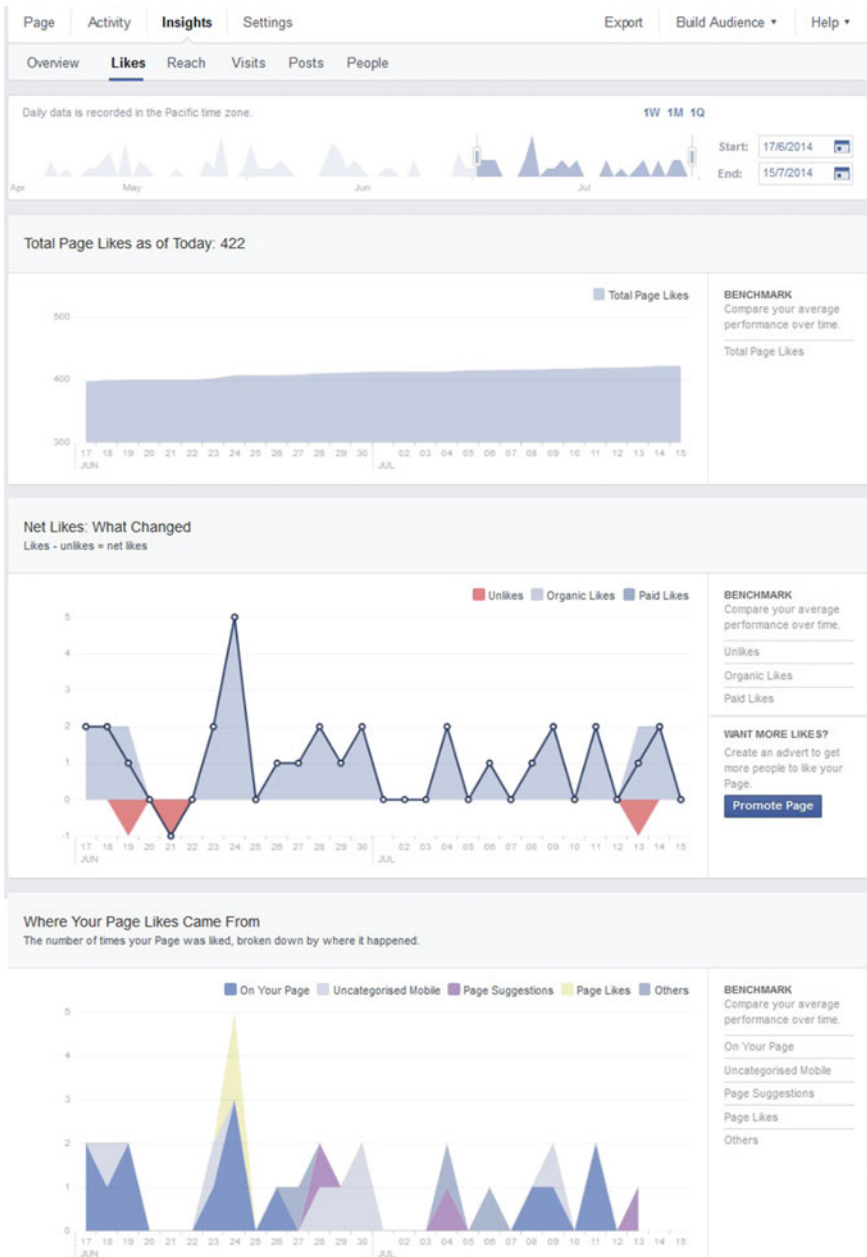


Fig. 6.2 Facebook insights: likes section. Source Facebook Insights (July 2014), Hotel Metropole Suisse, Como, Italy

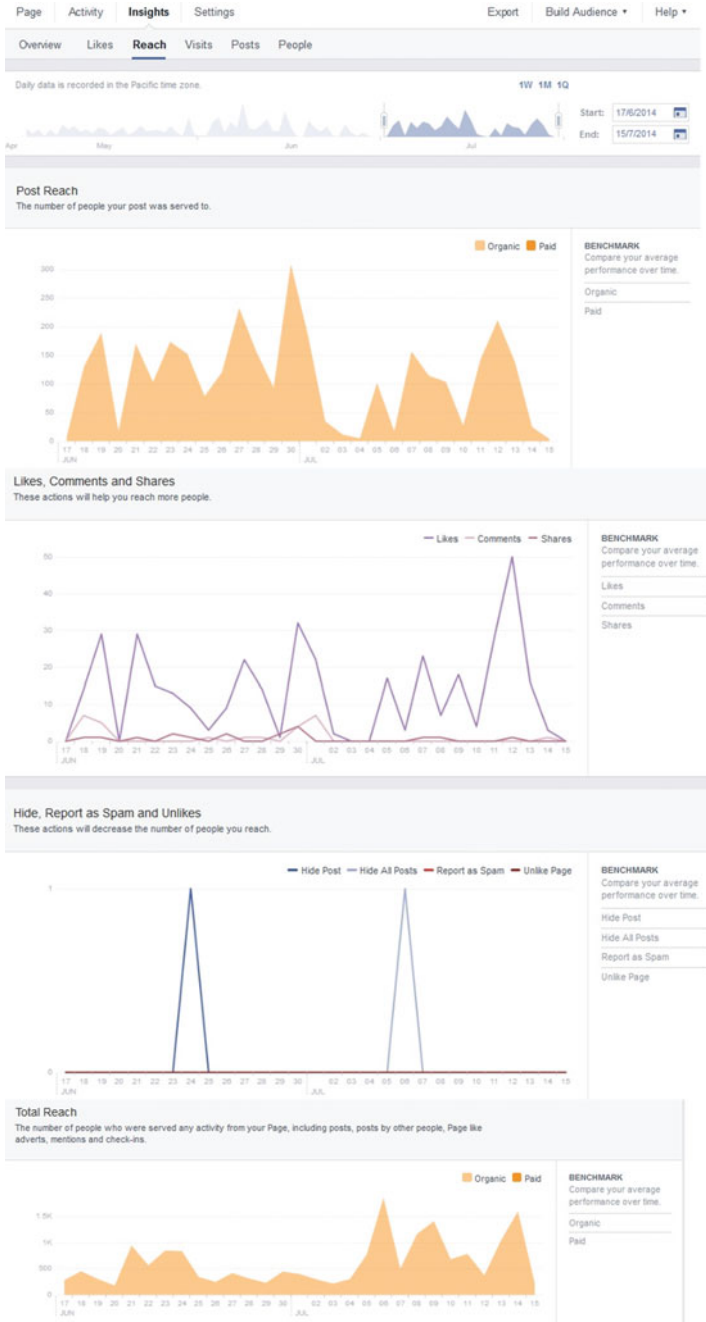


Fig. 6.3 Facebook insights: reach section. *Source* Facebook insights (July 2014), Hotel Metropole Suisse, Como, Italy

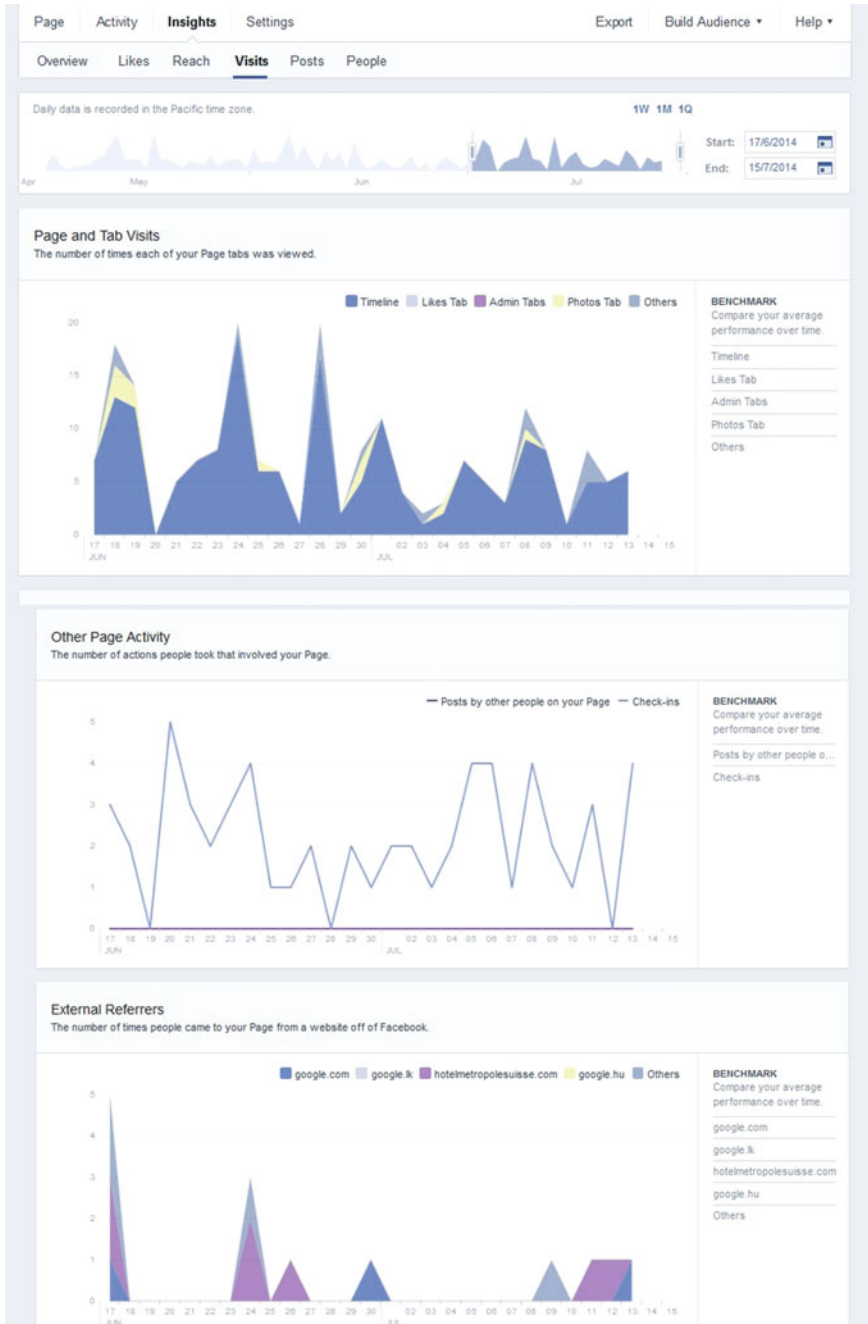


Fig. 6.4 Facebook Insights: visits section. *Source* Facebook insights (July 2014), Hotel Metropole Suisse, Como, Italy

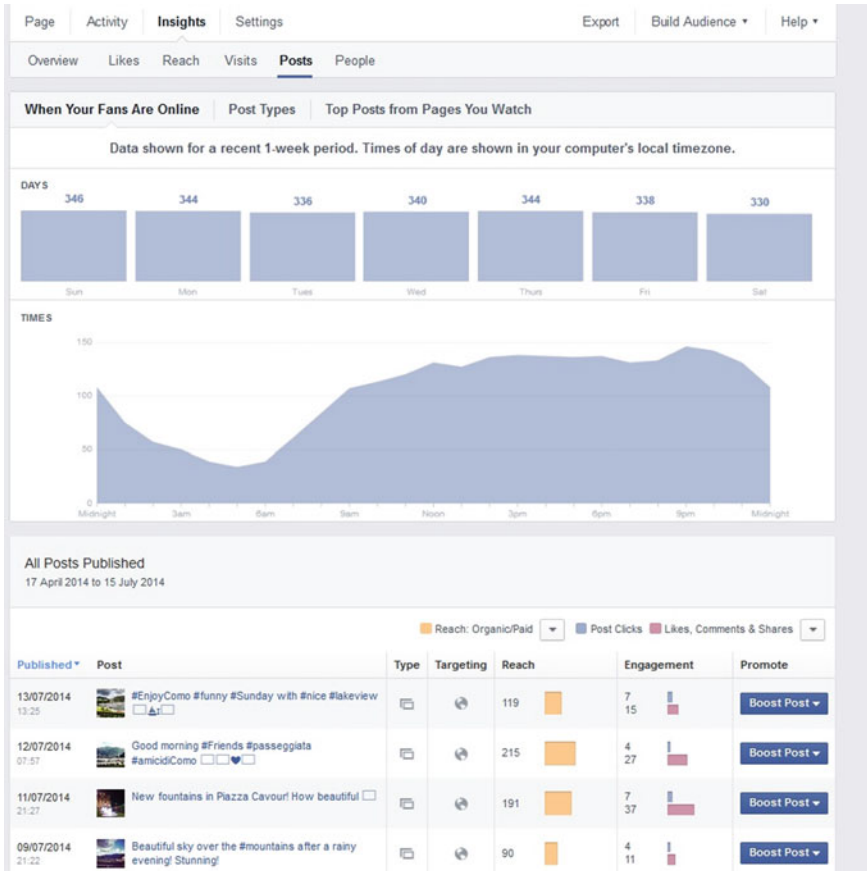


Fig. 6.5 Facebook Insights: posts section “when your fans are online”. Source Facebook insights (July 2014), Hotel Metropole Suisse, Como, Italy

Posts section contains data about When Your Fans Are Online, Post types, and Best Post Types.

- The new function “When your fans are online” (Fig. 6.5) allows understanding which days and hours of the day Fans are online and consult content (not only corporate posts but content in general). Even if the data time range is of only 1 week, this information can be really important for marketers to make decisions about the posts’ distribution and publication timing. A company could realize that a large part of Fans is online during the lunch time and then decide to move part of the activity in that time range.
- “Best Post type” is a graph that allows comprehending the success of different types of posts (i.e., status, photo, link, video, offer) on the basis of average reach and average engagement (post clicks separated by likes, comments, and shares).

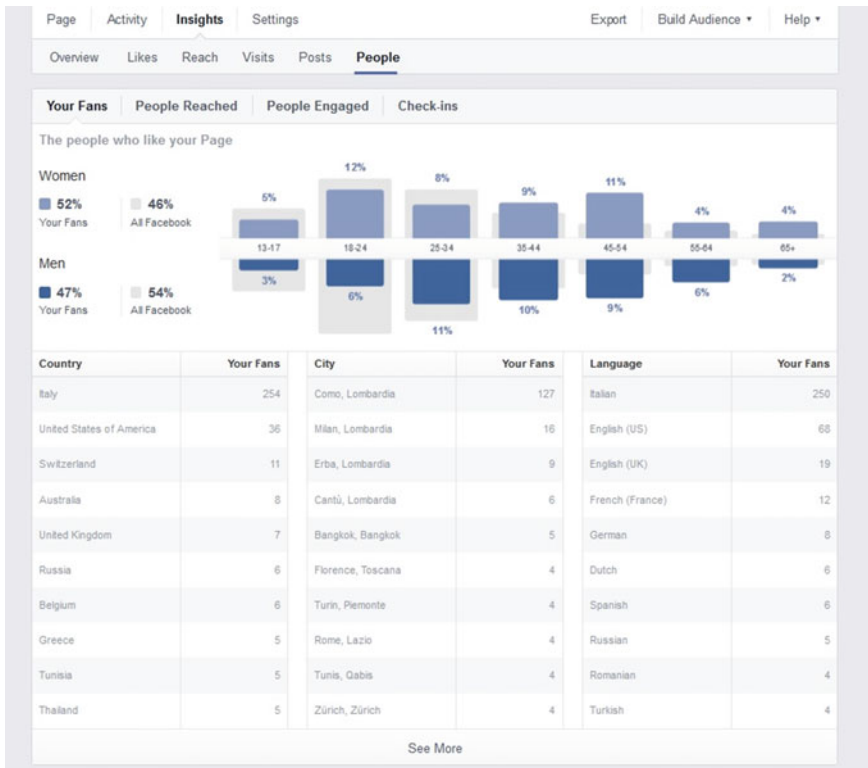


Fig. 6.6 Facebook insights: people section “your fan”. *Source* Facebook insights (July 2014), Hotel Metropole Suisse, Como, Italy

- “Top Posts of Pages to Watch” shows the five most engaging posts from the Pages the company is watching at.

People section shows the demographics of people who like the page (Your Fans), who are reached by content (People Reached) and engage with content (People engaged) (Fig. 6.6). Demographic data regards age, gender, geography (country and city), and language. The set-up of the page is the same for each type of People investigated apart from one aspect. The Fan graph compares Fans data with all Facebook users while People Reached and People Engaged are compared with Total Fans. A new graph of People section called “Check-ins” was recently implemented in order to identify people who have checked-in the previous days, probably connected with the launch of the location-based service of Facebook (Fig. 6.7).¹⁸

As previously mentioned, more detailed data can be exported to Excel or csv. Due to the large amount of data that Facebook allows to export, it could be useful to

¹⁸ Location-based services and Mobile Social Media have been examined in Chap. 5.

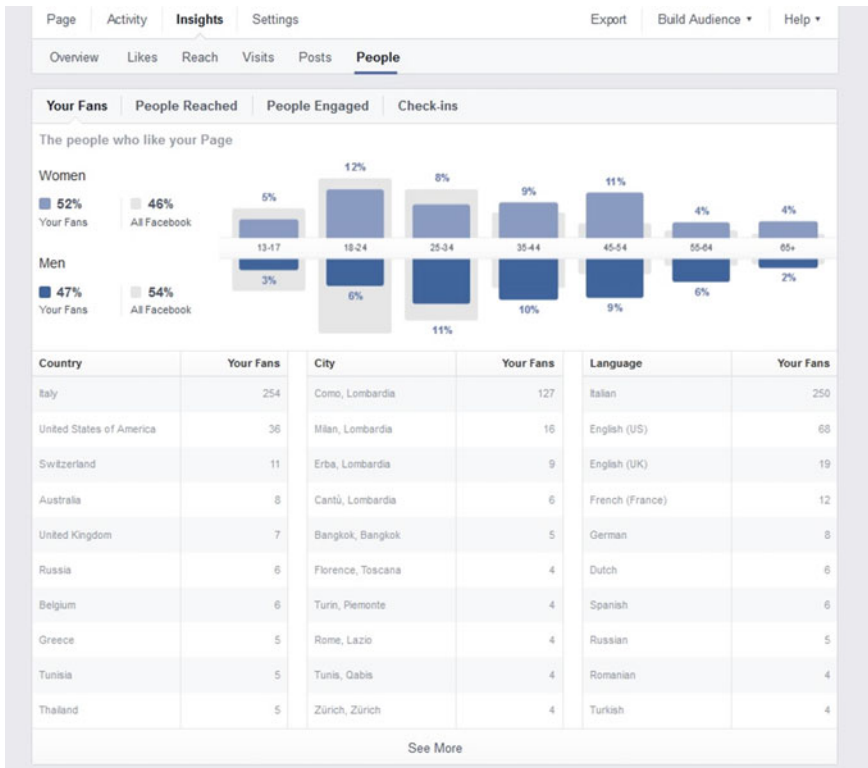


Fig. 6.7 Facebook insights: people section “check-ins”. *Source* Facebook insights (July 2014), Hotel Metropole Suisse, Como, Italy

define a Facebook scorecard that contains only useful information, aligned with business objectives. Among others, we can identify some basic metrics that should be always considered: Like, Reach, Impression, and Engagement (Cosenza 2014):

- Impression is calculated as the number of times a social item (e.g., post, photo, video, etc.) is displayed into the timeline.
- Engagement can be measured for the Page and Post. Page Engagement is the percentage of people who interacted with the Page (liked, shared, clicked or commented on it) respect to all Fans. Post Engagement is the percentage of people who saw a post that liked, shared, clicked, or commented on it respect to all the posts published.

Other metrics are available for advertising campaigns on Facebook by means of Ads Manager. For example Reach, Response (clicks ad connections), and Impressions.¹⁹

¹⁹ For further insights on Facebook advertising see Chap. 4.

6.5 Privacy Implications

IT progress and social media have definitely changed the way consumers communicate each other and with firms. Several times within the book, we highlighted how people increasingly participate in online conversations, sharing user-generated content, posting personal photos, videos, information, and allowing other people to tag them in photo they post. Moreover, in the previous Chapter, we examined how people increasingly adopt location-based services mobile applications to share their location in a specific moment of time (e.g., Foursquare). Social media users' is also offered the opportunity to log-in into various social media with Facebook, connecting networks, and allowing messages to travel across social media.

Firms and social media gather all these data obtaining a benefit for the business. They can learn by customers and prospects, use this information to personalize the service provided and the communication activities and relationships. On the other hand, users may obtain personalized services and interact easily and directly with firms and friends. However, these opportunities imply also a critical issue related to users' privacy management, especially in ubiquitous contexts.

If we compare the results of ongoing statistics we notice an increasing restrained level of concern about privacy especially among young social media users. A recent report of Pew Internet & American Life Project (2013), conducted on teen social media users found that the propensity to publish personal information and content on social media has increased in comparison to a previous report of 2005. In particular, 92 % of interviewed have posted their real name, 53 % the email address, 20 % the cell phone number, 91 % publish photos of themselves, and 24 % videos. Moreover, other information is provided on interests, location, education, relationship status, etc.

On the other hand, social media and firms are not always clear in explaining terms and condition regarding privacy policy. Sometimes, long and complicated documents, written in legal language, discourage people to read all the conditions behind the permission given to use personal information. In these cases, some people are skeptical and abandon the activity while an increasing number of users proceed because less attentive and sensitive to privacy issues.

Firms can violate privacy in different ways and with diverse intentions. Unauthorized information transfer, weak security, data magnets, and indirect forms of information collection are generally the four major violations.²⁰

Among dimensions of Web privacy,²¹ marketing activities of capturing, storing, processing, and exchanging customers' preferences to provide personalized services are generally those considered with suspect by web users. With the development of Semantic Web, data semantics will be able automatically understood by online systems (websites, search engines, social media). Obviously, this is more

²⁰ For major insights about Web privacy violations see Eltoweissy et al. (2003).

²¹ Eltoweissy et al. (2003) identifies the following dimensions of We Privacy: information, collection, usage, storage, disclosure, security, access control, monitoring, policy changes.

convenient for both sides (firms and consumers) but it also implies an increasing intrusion in people's privacy

Therefore, more effective techniques are necessary to protect social media (and in general web) users by possible cited violations. Until now, legislation had limited effect on these issues even though legislators in both U.S. and Europe are beginning to face this problem (Kaplan 2012). Definitions of privacy vary from one country to the other according to context, culture, etc. that generate differences and incompatibilities in privacy regulations and standards to be applied.²²

Privacy concern, along with the relative impact that this issue could have on customers' perceptions of fairness, highlights the opportunity for travel companies to think about possible operations aimed at protecting and preserve users' privacy. Lovett (2011) developed some guidelines for practicing ethical data collection. In particular, firms should:

- tell consumers how they intend to use consumers' data in a concise and clear language;
- inform web users about the reasons that motivates data collection and analysis providing insights about the benefits they will receive;
- let them choose to opt out of these practices;
- respect what have declared about data collection and utilization procedures and motivations;
- in case of request, being able to give information about how the data have been actually used.

Adopting these guidelines, travel companies could increase customers' perception about the firm's practice fairness. In addition, they could also have the opportunity to reach also skeptical web and social media users generating trust.

However, due to the continuous evolution of Web 2.0, Web 3.0, and Semantic Web, the topic of privacy will be increasingly in the public eye. Research by both academics and practitioners, along with regulation improvement, are necessary to understand future developments.

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²² See European Union (1995), Tene (2013) “the reform processes fail to address challenges to the definition of personal data and science of de-identification”.

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