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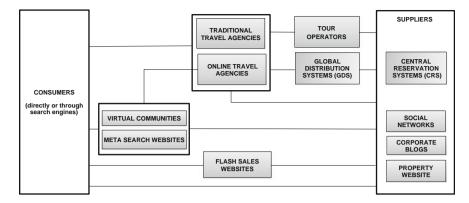
Fig. 4.1 A possible current configuration of the travel distribution structure. *Source* author's elaboration

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]

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[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).

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[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 Siguaw 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

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[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.

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[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 night[10] after having booked 10 overnights. Hotels.com has been recognized by eDigitalReaserch 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]

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[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, VoyagePrivè 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

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[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' 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,

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[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]

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[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).
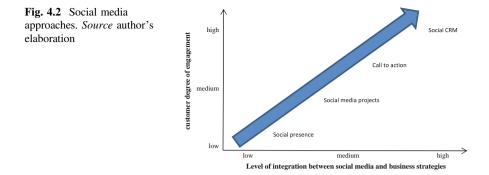
Therefore, customer engagement affects longevity of customers' participation, increases satisfaction, and brand loyalty (So et al. 2012) that, in turn, increase positive eWOM in the community and then enhance further community engagement. Moreover, committed members are more likely to develop positive 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

Fig. 4.2 chart: vertical axis "customer degree of engagement" with labels high, medium, low; horizontal axis "Level of integration between social media and business strategies" with labels low, medium, high. Arrow pointing up-right with labels Social presence, Social media projects, Call to action, Social CRM.

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

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[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 studies 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 unsureness 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).

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[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

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[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" (Gummesson 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; Gummesson 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

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[26] For a detailed review of relationship marketing definitions see Gummesson (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.

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[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 extention 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

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[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 (Essaway 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.

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[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
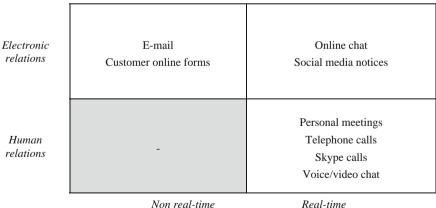
Table 4.1 Travel customer care services

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

Time

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'

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[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]

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[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).

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[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 brands[39] 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

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[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

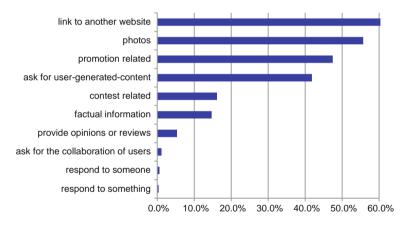| Items category	Items
Accessibility	Is it easy to find the Facebook page of the hotel brand searching in the Facebook search engine?
	Is there a connection to the website of the hotel brand and from the website of the hotel brand?
Information	Which kind of information is included in the Facebook page?
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,

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[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

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[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 and 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 in 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

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[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.

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[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.

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[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.

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[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 PPC[50] basis.

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[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.

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[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 certificate[52] 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).

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[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]

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[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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