

SOCIAL MEDIA AS A SOURCE OF CUSTOMER KNOWLEDGE – POTENTIAL AND LIMITATIONS

Sebastian Kopera¹

Abstract

Social media is gaining popularity as a rich and important source of knowledge about customers and markets. However, tourism organizations utilize its potential only to a limited degree. The goals of the presented text are: to explain this potential and to analyze barriers to the acquisition of customer knowledge by tourism organizations. A literature review will be applied along with the analysis of empirical data from one tourism institution and six business companies, to achieve those goals.

Keywords: *knowledge acquisition, social media, customer knowledge, tourism industry.*

1. Introduction

Almost 20 years ago Pine and Gilmore noticed a growing importance of experience as a basis for customer value creation (Pine & Gilmore, 1998, p. 95). Observation of contemporary markets, particularly in service sectors, confirms that this trend has grown in importance since then. Adopting its logic means bigger than in the case of products or services adjustment to customers' needs and orientation rather toward impressions, than simple features and benefits. Customer experience transcends frames of services and products – although they remain a basis for value creation, on their own, they suffice no more to satisfy the customer. Experiences are “complex combinations of products, services, spaces, and information” (Brown, 2008, p. 92) and as such, they have to be created and developed. For this reason, many sectors traditionally classified as “service sectors” reorient their design activities from services to experiences (Sorofman, 2014; Verhoef et al., 2009). This transition is easy to observe in tourism, where “tourist experience” becomes a reference point for innovations in various fields (Dubé, Le Bel & Sears, 2003; Neuhofer, Buhalis & Ladkin, 2015; Wang, Park & Fesenmaier, 2012). Orientation toward experiences rather than toward services or products potentially helps enterprises differentiate in the eyes of their customers.

¹ Sebastian Kopera, Ph.D., Assistant Professor, Institute of Entrepreneurship, Jagiellonian University, ul. Prof. St. Łojasiewicza 4, Kraków 30-348, e-mail: sebastian.kopera@uj.edu.pl.

At the same time their design and development is much more complex and demanding, and above all requiring much more information about customers, their needs, habits, and preferences. An important source of this information is nowadays a digital space, including social media. Their growing significance as a source of customer knowledge is a result of their popularity among users, as well as changes in patterns of digital content consumption and production which social media enable and imply (Mayeh, Scheepers & Valos, 2012; Perlberg & Seetharaman, 2016; Quartz, 2016).

Perceiving social media as a source of business knowledge (defined as any important information that can be utilized in internal business processes), also about a customer, is winning popularity among practitioners and researchers, which reflects in growing number of publications in this field (Akehurst, 2009; Kopera & Najda-Janoszka, 2016; Kopera, 2009; Li & Wang, 2011). It does not mean however that the issue is well recognized and understood. Particularly limited attention is devoted to the understanding of acquisition process determinants.

The goals of the presented text are: to explain this potential and to analyze barriers to the acquisition of customer knowledge by tourism organizations. A literature review will be applied along with the analysis of empirical data from one tourism institution and six business companies to achieve those goals.

2. Social sources of knowledge about customers and market

There are many ways of acquiring information about customers from a digital space. Some of them have been described by Rowley (Rowley, 2002, pp. 503–504), who included in this group i.a.: information provided by customers in response to a company request (e.g., in the form of a survey analyzing customer satisfaction), voluntarily provided when engaging in the virtual community, transactional data, customer search path, cookies and site visit logs.

In this context, it is worth differentiating two types of data and information which source is a customer and his/her digital activity. The first one consists of the content which is consciously and purposefully generated by Internet users, particularly within social media. It includes all types of UGC (User Generated Content) in the form of posts, comments, opinions, likes, and shares. From a marketing point of view UGC is often classified as eWom – electronic Word of Mouth (Bronner & De Hoog, 2011, p. 15). The content of this type is usually easily accessible for external entities, enabling a better understanding of customer preferences and needs. It can be created from their initiative or – along with the Rowleys' suggestions – in response to the initiative of a company, which wants to enrich its customer knowledge.

This type of content is known as an active digital footprint (Madden, Fox, Smith & Vitak, 2007, p. 4).

The second type of digital, customer-related content is generated as a byproduct of a customer activity in a digital space. The user does not create it purposefully, and in most cases, he or she is not aware of its existence. This category includes, e.g., website visit logs, mobile applications' logs, search logs, transactional data in payment systems, a trace of mobile devices generated within telecom infrastructure or mobile operating systems. All those forms of digital content sum up to a passive digital footprint (Madden et al., 2007, p. 3).

The difference between both types of the digital footprint reflects not only in purposefulness and consciousness of data created by the users but also in their third part accessibility. The active digital footprint is usually generated in open information systems, particularly in social media. Access to some portion of it is sometimes limited by user's privacy settings or access settings of virtual communities. However, most of it remains open and fully accessible to all interested, including enterprises looking for customer knowledge. Being aware of their active footprint users have the opportunity to monitor and manage their virtual presence as well as a scope of data they make available online, what is significantly tougher in the case of a passive digital footprint. Law strictly regulates the access to data being collected and stored in a passive way, and sometimes requires additional consent from the user (a good example of such consent is acceptance of cookies policy or consent to access to mobile device resources for mobile application which must be declared by the user when installing this app on the device). However, the act of granting consent does not make the process more transparent. Access to this kind of data is usually limited by and to its administrator, although – under certain conditions – it may also be granted to third parties. Enterprises from sectors traditionally collecting a large amount of passive customer data (e.g., insurance, finance, including credit card operators, IT and telecommunication) which seized opportunity and engage in development of advanced analytical systems (data warehouse and Big Data solutions) what enables them development of data-driven innovations (OECD, 2015, pp. 21–26). The passive digital trace is also an opportunity to public administration, which is traditionally equipped with a massive amount of citizen data.

The presented text will concentrate on the active one, created intentionally by users in a digital info-space, particularly in social media domain while appreciating the value and importance of the passive digital footprint for customer knowledge creation. This environment not only gains importance as an environment of purposeful and conscious human information behaviors but also its characteristics facilitate and encourage content generation, publication

and sharing. Content, which is – as mentioned above – in most cases open and accessible to external entities, also for those who cannot afford to buy data from external commercial and closed sources. Such a situation is typical for a vast majority of tourism enterprises what results from reasons explained i.a., in (Najda-Janoszka & Kopera, 2014).

Customer information behaviors in tourism social media domain are often analyzed in the context of a travel process (Fotis, Buhalis & Rossides, 2012; Gretzel & Yoo, 2008; Kennedy-eden & Gretzel, 2012; Tanti & Buhalis, 2016; Xiang, Wang, O’Leary & Fesenmaier, 2015), including three main stages: pre-trip, during trip and post-trip. Adopting this perspective Fotis et al. (2012) researched utilization of social media by tourists (Figure 1).

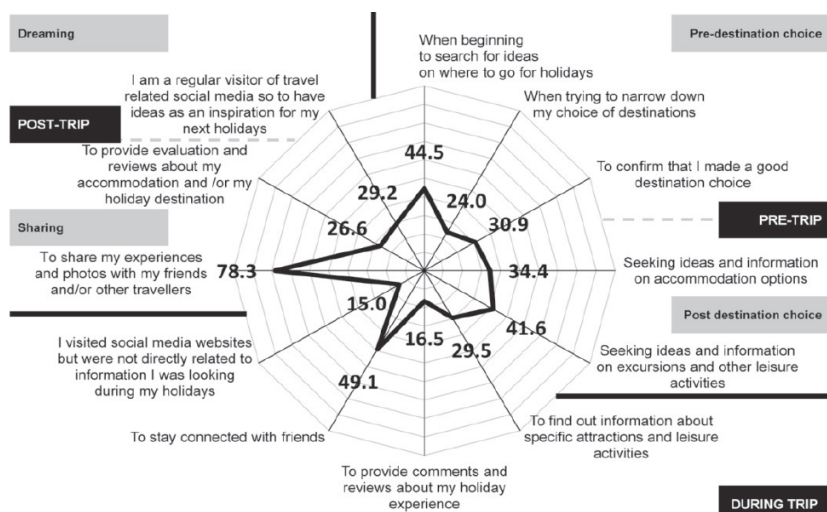


Figure 1. Utilization of social media within the travel process with indication of open creative activities²

Source: own elaboration based on (Fotis et al., 2012, p. 18).

The presented results show that tourists avidly use social media at all stages of their travel. In most cases, they use social media as sources of knowledge (in a broad sense) and tools for its acquisition.

Nevertheless, across the whole process, there are some creative activities, which result in the publishing of UGC. Among those “creative” activities the

² Open creative activities are those, through which tourists create content, and then publish it in an open social media domain. Activity defined as content generation may appear also in other situations, e.g. when staying connected with friends during a trip, but in this case content is usually more private and addressed to a limited number of receivers, what decreases its potential value and accessibility for external observer (e.g. tourism enterprise).

most popular are sharing travel experience and photos with friends and other travelers (often members of virtual communities). Such activities are typical for over 78% of tourists (Fotis et al., 2012, p. 18).

Content purposefully generated by customers can be a rich source of knowledge about their preferences, habits, expectations, or earlier experiences. If additionally, consider an interactive nature of social media, and supported by this environment crowdsourcing, it is easy to understand a unique value of social media as a learning space for enterprises. At the same time, an observation of micro and small tourism enterprises, as well as tourism institutions, indicates that this potential of social media is neither commonly recognized nor utilized in spite of a high popularity of social solutions for private purposes among tourism managers and employees. The subsequent sections are aimed at shedding some more light on problems and obstacles to wider utilization of social media as the customer knowledge source for tourism enterprises and institutions.

3. Obstacles to utilization of knowledge from social media

Utilization of knowledge from any source – social media included – covers at least two common subprocesses: knowledge acquisition (often in the form of important information) and knowledge application to solving business problems. Obstacles to the utilization of social media customer knowledge in tourism business practice have not been a popular topic among researchers. Those issues are very novel and still, require many questions to be answered. Pioneering research in this field has been conducted in the form of case studies in tourism institutions by the author of this paper (Kopera, 2017) as well as selected tourism enterprises (Kopera & Najda-Janoszka, 2016).

The first of those studies have been conducted in a regional tourism organization of Małopolska (MOT) – an association responsible for the promotion of the region and its tourism offer, managing regional information system, as well as support to tourism development in Małopolska region (<http://www.mot.krakow.pl>). It is worth noticing that regional tourism organizations – including MOT – are the main and the most important entities integrating activities of regional administration and tourism business in destinations and promoting their tourism offer in Poland and abroad.

Data for this case study was acquired through a survey among all the MOT employees who dealt with co-creation and promotion of regional tourism offer. Additionally, unstructured interviews with selected employees were conducted.

The applied research procedure enabled identification of the most significant problems hindering utilization of social media knowledge sources at MOT (Figure 2).

Most of the researched group indicated in the first place the time-consuming character of particular information search in social media as well as privacy and safety concerns. Both problems create a coherent picture of the existing problems together with the following: lack of suitable supporting tools (what resulted in manual, time-consuming information search). As well as the lack of social media and IT knowledge, what may partially explain the absence of IT tools supporting and automating the acquisition of knowledge from social media.

At the same time, employees were aware of their limitations and expected organization and to support them, e.g., in the form of a relevant training. Unfortunately, they didn't receive such support, what could result from a lack of IT competencies among managers, as it was revealed during in-depth interviews. Managers had little understanding of the importance of social media as a tool supporting their employees at work, and consequently, they were not ready to create more encouraging and supporting environment or provide relevant training in this field.

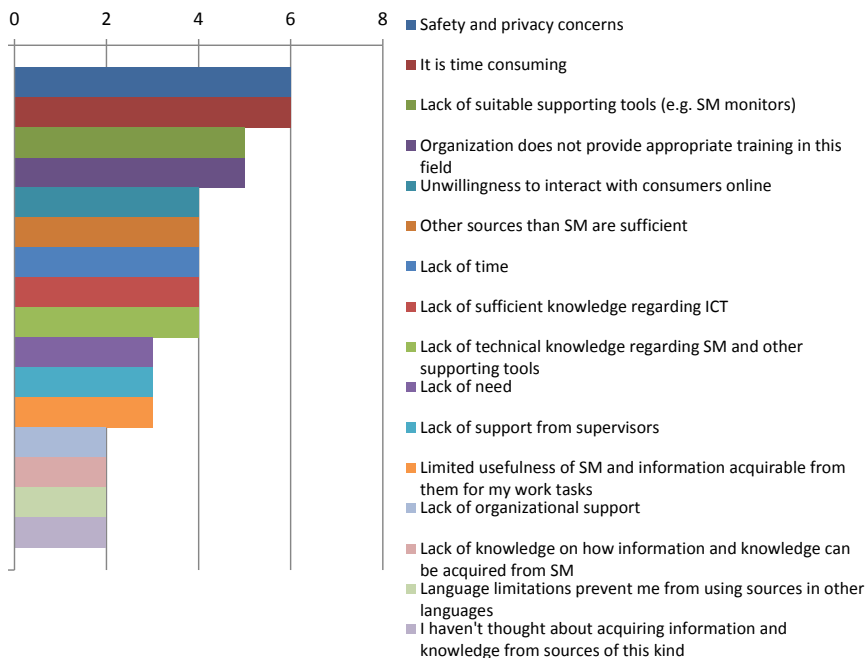


Figure 2. Obstacles to utilization of social media knowledge sources by MOT employees

The second research covering the subject issues was conducted in the form of a series of case studies in six micro enterprises representing various tourism sub sectors. The main source of data were semi-structured interviews with managers. One of the questions asked during interviews referred to obstacles that hampered utilization of social media as a source of knowledge. The number of received answers varied from 3 to 4.

Among the most important problems identified by the interviewees were those referring to the quality of social media sources and content³ and difficulties in verifying reliability, neutrality, and value of the content found in this environment. The situation was worsened by the fact that social media content was often generated anonymously and there was no way to verify the reliability of the content based on the reliability of the author (Bronner & De Hoog, 2011, p. 15). It led to a limited trust in social media content and sources. It is worth noticing, that reliability concerns were not only a subjective perspective of the interviewed managers. The issue of limited reliability of a significant portion of social media content is being addressed even by social media platforms including the most popular Facebook⁴ (Heath, 2016).

However, the problem with objective quality and reliability of social media sources is not the only one to blame for difficulties with information searching and lack of trust in social media sources. Probably the other side of this problem is limited digital literacy of the users in this new and dynamic environment. Digital literacy covers not only IT competencies but also competencies regarding creation, processing and acquisition of information in a digital environment (UNESCO IITE, 2011, p. 1). Low digital literacy results in difficulties in evaluation of various types of social media sources and content as well as in the feeling of being overloaded with information and increased problems with selecting valuable, useful content. All those problems were signaled by the managers during interviews, what may indicate digital literacy issues in this group.

In most cases, interviewees – just like MOT employees from the previous case study – did not use any advanced tools automating content searching on the Internet what – again – could be potentially attributed to low digital competencies. 1/3 of this group admitted that they lacked competencies regarding social media and acquisition of knowledge from this environment.

It is important to mention an exploratory and initial character of both types of research – concerning MOT and tourism enterprises, what does not legitimate any generalization.

At the same time, they provide a significant cognitive value and convey an input to the understanding of determinants of acquisition of knowledge

³ By some interviewees sources and content were treated as synonyms.

⁴ Retrieved from <http://newsroom.fb.com/news/2016/12/news-feed-fyi-addressing-hoaxes-and-fake-news/>

from social media. They also constitute a foundation for further, more representative research in this field.

4. Conclusions

Social media is becoming increasingly popular environment among Internet users, who spend their time by generating a large amount of various content. At the same time changes may be observed as far as information behaviors of Internet users are concerned. For many of them, social media is becoming the first source of information. This tendency can be observed in the Quartz research cited earlier in the text. It also reflects in the recent decision of the big, traditional content providers like CNN, or The New York Times to use Facebook as a distribution channel for their content (Perlberg & Seetharaman, 2016) despite a risk of weakening their channels. So, on one hand the amount of social media content (including UGC) is growing exponentially, part of which may have a significant value for enterprises. On the other hand, young people who already work or soon will, transfer their habits from private to professional environment bringing social media and related information search and consumption behavior to their workplaces. In this context, it seems obvious that social media environment is going to earn even more importance as the customer information source in the nearest future.

However, this process is not going to happen automatically. People using social media in private life are not always capable of transferring their information behaviors to the business environment, where the goals and effectiveness criteria are different. What is more, an effective and efficient search in social media domain requires, on many occasions, application of automated tools like, e.g., media monitors, which are usually not popular among private users. It means that the key success factor for wider utilization of social media as a customer knowledge source is the growth of digital literacy among employees and managers of tourism businesses and institutions. In this context, an important role to play, have organizations themselves as well as their leaders. In the first place, it is necessary to create among employees an awareness of importance and value of social media as the source of knowledge and equip them with relevant competencies through appropriate training. The subsequent step should cover encompassing social media sources into an ecosystem of organizational learning and knowledge management, so the important information acquired from an environment could be later distributed and applied across the organization.

Realization of both steps should significantly contribute to the improvement of many internal processes, including those related to designing, developing and delivering new customer value in the form of a unique experience.

The above discussion was grounded on the assumption that social media content was not analyzed in a “mass” context, which is a typical perspective of Big Data approach. In this “mass” approach data originating from various sources (including social media) adopt a form of a “data cloud,” which – due to its size and diversity – transcends capabilities of conventional data processing systems (Kachniewska, 2014, p. 36).

Big Data opens enormous opportunities regarding the acquisition of information and building knowledge upon it, that can be later utilized in innovation processes, leading to DDI – Data Driven Innovations. This kind of innovations is considered by OECD a new source of economic growth and social development (OECD, 2015, p. 23). However, the actualization of this potential requires not only a proper technology for data extraction and analysis but also relevant IT competencies, what constitutes a significant implementation barrier in the environment of micro and small enterprises (Kachniewska, 2014, p. 49) that dominate tourism industry. Lack of both, typical for tourism industry not only in Poland (Najda-Janoszka & Kopera, 2014) but also in other countries (Mistillis & Gretzel, 2013), hampers acquisition and application of knowledge from social media as a mass data source. When adding methodological issues related to the practical implementation of Big Data analytics on top of that (Baggio, 2016), it seems barely possible that problems related to utilization of this approach in the tourism industry will be solved in a short perspective.

References

- Akehurst, G. (2009). User generated content: the use of blogs for tourism organizations and tourism consumers. *Service Business*, 3(1), 1–12.
- Baggio, R. (2016). Big data, business intelligence and tourism: A brief analysis of the literature. In *IFITTalk@Östersund: Big Data & Business Intelligence in the Travel & Tourism Domain*. ETOUR, Mid-Sweden University, Östersund (SE).
- Bronner, F., & De Hoog, R. (2011). Vacationers and eWOM: Who Posts, and Why, Where, and What? *Journal of Travel Research*, 50(1), 15–26.
- Brown, T. (2008). Design thinking. *Harvard Business Review*, 86(6), 252.
- Dubé, L., Le Bel, J., & Sears, D. (2003). From customer value to engineering pleasurable experiences in real life and online. *Cornel Hotel and Restaurant Administration Quarterly*, October-December, 124-130.
- Fotis, J., Buhalis, D., & Rossides, N. (2012). Social media use and impact during the holiday travel planning process. In M. Fuchs, F. Ricci & L. Cantoni (Eds.), *Information and Communication Technologies in Tourism 2012* (pp. 13–24). Springer Wien New York.
- Gretzel, U., & Yoo, K. H. (2008). Use and impact of online travel reviews. In P. O’Connor, W. Höpken & U. Gretzel (Eds.), *Information and*

- Communication Technologies in Tourism, ENTER 2008* (pp. 150–151). Germany: Springer.
- Kachniewska, M. (2014). Big Data analysis jako źródło przewagi konkurencyjnej przedsiębiorstw i regionów turystycznych. *Folia Turistica*, 32(32), 35–55.
- Kennedy-cden, H., & Gretzel, U. (2012). A taxonomy of mobile applications in tourism. *E-review of Tourism Research*, 10(2), 47–50.
- Kopera, S. (2009). Application of social software for knowledge management. In J. Lewandowski, I. Jałmużna & M. Sekieta (Eds.), *Challenges in Enterprise Management of Today* (pp. 15–25). Łódź: A Series of Monographs, Technical University of Lodz.
- Kopera, S. (2017). Social media as a source of knowledge for regional tourism organisations. In *XII Konferencja Naukowa "Multimedia w Biznesie i Zarządzaniu"*.
- Kopera, S., & Najda-Janoszka, M. (2016). Horyzont społecznościowych źródeł informacji w działalności innowacyjnej firm turystycznych. In S. Gregorczyk & W. Mierzejewska (Eds.), *Zarządzanie Przedsiębiorstwem Inteligentnym: Wybrane Zagadnienia* (pp. 361–370). Warszawa: Oficyna Wydawnicza. Szkoła Główna Handlowa.
- Li, X., & Wang, Y. (2011). China in the eyes of Western travelers as represented in travel blogs. *Journal of Travel & Tourism Marketing*, 28(7), 689–719.
- Mayeh, M., Scheepers, R., & Valos, M. (2012). Understanding the role of social media monitoring in generating external intelligence. In *23rd Australasian Conference on Information Systems 3-5 Dec 2012, Geelong Social* (pp. 1–10).
- Mistillis, N., & Gretzel, U. (2013). *Tourism Operators' Digital Uptake Benchmark Survey 2013*. Retrieved from http://www.tra.gov.au/documents/Tourism_Operators_Survey.pdf
- Najda-Janoszka, M., & Kopera, S. (2014). Exploring barriers to innovation in tourism industry – the case of southern region of Poland. *Procedia - Social and Behavioral Sciences*, 110, 190–201.
- Neuhofer, B., Buhalis, D., & Ladkin, A. (2015). Smart technologies for personalized experiences: A case study in the hospitality domain. *Electronic Markets*, 25, 243–254.
- Pine, J., & Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard Business Review*, 76(4), 97–105.
- Rowley, J. (2002). Eight questions for customer knowledge management in e-business. *Journal of Knowledge Management*, 6(5), 500–511.
- Tanti, A., & Buhalis, D. (2016). Connectivity and the consequences of being (Dis)connected. In A. Inversini & R. Schegg (Eds.), *Information and Communication Technologies in Tourism 2016* (pp. 31–44). Germany: Springer.
- Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85(1), 31–41.

- Wang, D., Park, S., & Fesenmaier, D. R. (2012). The role of smartphones in mediating the touristic experience. *Journal of Travel Research*, 51(4), 371–387.
- Xiang, Z., Wang, D., O’Leary, J. T., & Fesenmaier, D. R. (2015). Adapting to the Internet: Trends in travelers’ use of the web for trip planning. *Journal of Travel Research*, 54(4), 511–527.

Electronic documents

- Heath, A. (2016). Mark Zuckerberg: Facebook will “proceed carefully” with fighting fake news and won’t block “opinions.” Retrieved March 21, 2017, from <http://www.businessinsider.com/mark-zuckerberg-on-how-facebook-will-fight-fake-news-2016-12?IR=T>
- Madden, M., Fox, S., Smith, A., & Vitak, J. (2007). Online identity management and search in the age of transparency. *Pew Internet & American Life Project*, (December), 50. Retrieved from http://www.pewinternet.org/PPF/r/229/report_display.asp
- OECD. (2015). *Data-Driven Innovation. Big Data for Growth and Well-Being*. Paris. Retrieved from http://www.oecd-ilibrary.org/science-and-technology/data-driven-innovation_9789264229358-en
- Perlberg, S., & Seetharaman, D. (2016). Facebook Signs Deals With Media Companies, Celebrities for Facebook Live. Retrieved July 7, 2016, from <http://www.wsj.com/articles/facebook-signs-deals-with-media-companies-celebrities-for-facebook-live-1466533472>
- Quartz. (2016). *Global Executives Study*. Retrieved from <https://insights.qz.com/ges/2016/#>
- Sorofman, J. (2014). *Agenda Overview for Customer Experience, 2015*. Retrieved from <http://www.gartner.com>
- UNESCO IITE. (2011). Digital literacy in education. *Policy Brief*, (May), 1–12. Retrieved from <http://unesdoc.unesco.org/images/0021/002144/214485e.pdf>

Biographical note

Sebastian Kopera, Ph.D., Assistant Professor, Institute of Entrepreneurship, Jagiellonian University. He researches and teaches e-business and e-commerce issues in sport and tourism industries. His current research interests focus on the application of social media as a tool supporting innovation-oriented knowledge transfer and acquisition. For the realization of the project in this field, he was granted the Heinrich Hertz Fellowship in Germany. Dr. Kopera is author and co-author of over 40 publications in business IT-related fields. He has also participated in 4 state-funded projects.