Handbook of Research on

Social Media Applications for the Tourism and Hospitality Sector

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Tourists frequently rely on social networks to provide information about a product or destination as a decision support tool to make adequate decisions in the process of planning a trip. In this digital environment, tourists share their travel experiences, impressions, emotions, special moments, and opinions about an assortment of tourist services like hotels, restaurants, airlines, and car rental services, all of which contribute to the online reputation of a tourist destination.

The **Handbook of Research on Social Media Applications for the Tourism and Hospitality Sector** is a fundamental reference source that provides vital theoretical frameworks and the latest innovative empirical research findings of online social media in the tourism industry. While highlighting topics such as e-business, mobile marketing, and smart tourism, this publication explores user-generated content and the methods of mobile strategies. This book is ideally designed for tour developers, travel agents, restaurateurs, hotel management, tour directors, entrepreneurs, social media analysts, managers, industry professionals, academicians, researchers, and students.

Topics Covered

* Business Intelligence
* Business Performance
* Consumer Behaviors
* Customer Engagement
* Data Mining
* E-Business
* Global Business
* Influencers
* Mobile Marketing
* Smart Tourism

Chapter 6

Impacts of Social Media on Business Value and Performance

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ABSTRACT

The aim of this chapter is to study the main impacts of social media on business value and performance. ICT can be a resource in resource-based perspective, becoming itself a possible source of competitive advantage (in terms of performance and value creation). A proactively tailored organization strategy can drive the people, processes, and systems, harmoniously pulling all the stakeholders in unison. Social media can bring in the commitment of the workforce and ensure involved, flexible, innovative working practices, improving the quality of work. When properly used, they can build organizations to more flexible structures, sharing services, competitiveness and interdependencies. The business processes can be harmonized by standard operating procedures, automated systems of agreed quality, prime up the competency development and facilitate clear career paths. Refining suppleness to work in tune to market demands and supplementing employee satisfaction can foster the development of individual accountability leading to leadership evolution.

INTRODUCTION

In the last years, Internet and web services have contributed to improve business performance. Internet offers the opportunity to create social spaces where individuals can communicate and share information and knowledge through the social media (SM). Properly, the use of social exploded into its most decisive phase in 2004 with the arrival of Web 2.0. More specifically, this term was coined by Dale Dougherty of US publishing company O'Reilly Media and it was first used for the highly influential Web 2.0 conference run by the company in 2004 (Brown, 2009).

The term SM has a variety of definitions. Boyd & Ellison (2007) conceive the SM as "web-based services that allow individuals to build a public or semi-public profile in a social space where there are other users with whom they share a connection, and their list of connections and those made by others within the system". According to Kaplan & Haenlein (2010), SM refers to a group of applications based on the on-line connection of Internet networks where users can create and exchange contents. Berthon, Pitt, Plangger, and Shapiro (2012), consider SM as a series of both hardware and software technological innovations (Web 2.0) that facilitate creative online users' in expensive content creation, interaction, and interoperability.

SM, thanks to the widespread coverage of the web, facilitates and accelerates conversations and exchange of information with respect to traditional media, which offers "read-only" contents to consumers, not allowing them to be active part of the promotional process.

The use of these channels encourages the online learning, the sharing information and cooperation. SM allows users to communicate and share contents without any need to be physically present. Specifically, the use of SM positively impacts on the internal organization and on the relationship between the company and its external scenario, as well. As for the stakeholders, a pivotal role is played by consumers involved in a process of value co-creation. In particular, the increasingly widespread of digital technologies, such as SM, have changed the consumer–producer relationship dramatically. The main reason is strictly tied to the fact that these technologies have empowered consumers to create, collaborate, produce and contribute to commercialization by considerably lowering the cost of value co-creation (Rayna, 2010). In the actual context of the sharing economy, the boundaries between consumers and firms have become very blurred (Lan, Ma, Zhu, Mangalagiu, & Thornton, 2017).

Companies are increasingly using SM for organizational purposes, such as gaining competitive advantage (Grafström & Falkman, 2017), and this type of use is attracting increasing numbers of leaders (Abrahamson, 1991; see also Spicer, 2018).

Companies use SM to increase their brand image and awareness. SM influences company brand by word of mouth that attracts consumers and influences their purchase decisions (Nisar & Whitehead, 2016).

SM favours firms to obtain information and to acquire new Technology Knowledge competence. Through SM, managers and employees communicate faster and they learn deeply (Ellison, Duggan, Ellison, Lampe, Lenhart, & Madden, 2015). Developing technology competencies favours the creation of a virtual learning community that improves firm performances. Technology knowledge can be improved by increasing the connection among firm stakeholders, as suppliers, customers, distributors and logistic providers. Huge connection enables firms to acquire new knowledge, innovative opportunities and to gain a competitive advantage.

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