

Social media + Customer relationships = 🔫 ?

- A study of how travel agencies can strengthen customer relationships in a social media context

Filippa Larsson Linnéa Larsson Emma Nilsson

Master Thesis Spring 2010 Instructors: Katja Lindqvist & Maria Månsson

Abstract

Title: Social media + Customer relationships = ♥? - A study of how travel agencies can strengthen customer relationships in a social media context.
University: Lund´s University, Campus Helsingborg - Service Management
Level: Master (one year)
Authors: Filippa Larsson, Linnéa Larsson and Emma Nilsson
Supervisors: Katja Lindqvist and Maria Månsson

Purpose: The purpose of this thesis is to examine what role social media can play for Swedish travel agencies in order to strengthen their customer relations. We aim to illustrate how five Swedish travel agencies that are active in the social sphere utilize social media to stimulate and strengthen their customer relationships. We also endeavor to illuminate what strategy they adopt when implementing social media, and what challenges and opportunities they face when using social media.

Keywords: Social media, relationship marketing, strategy, communication, commitment, trust, cooperation, shared values

Methodology: This thesis is of an explorative and qualitative character. Semi-structured interviews with five Swedish travel agencies were conducted and complemented with a document analysis of the companies' social media sites.

Theoretical approach: The theoretical framework is based on five fundamental factors commonly highlighted in relationship marketing literature. These are investigated and analyzed in combination with aspects from literature regarding social media. The factors are communication, commitment, trust, cooperation and shared values.

Empirical foundation: Our main empirical base is obtained by semi-structured interviews with the social media administrators at Equi Tours, Kilroy, Poseidon Travel, Sydafrikaresor and Ving. Furthermore we have studied theses travel agencies presence in social media sites such as Facebook and Twitter.

Conclusions: In this thesis we illustrate that the factors communication, commitment, trust, cooperation and shared values are significant for strengthen customer relationships in social media. Travel agencies using social media will face challenges such as managing the balance of push and pull strategies, organize themselves in a way that all members of staff can contribute to immediate, real-time, informal and formal replies. If utilized in right manner, travel agencies can take advantage of opportunities such as enhancing the customer's value creating process, thanks to a collaborative and many to many communication between customers who share the same values and interests.

Thank you ...

First of all we would like to thank the travel agencies that participated in this study. Our respondents Annika von Schlieben, Mattias Gustafsson, Pekko Svensson, Madeleine Lindahl and Annika Jönsson have all been of great help and given us valuable information and insights. Without their contribution of empirical findings and personal experiences this thesis would not have been possible.

We would also like to express thankfulness to our exceptional supervisors Katja Lindqvist and Maria Månsson for giving us competent and helpful advice, directions and inspiration throughout the working process. By this said, we hope you will enjoy the reading.

Filippa Larsson filippalarsson@hotmail.com Linnéa Larsson linnea.larsson.019@student.lu.se Emma Nilsson emma.nilsson.288@student.lu.se

Helsingborg 2010-05-25

Table of Contents

1	. Introduction	5
	1.1 Background and problem discussion	5
	1.2 Purpose	7
	1.3 Disposition	7
2. Methodology		
	2.1 Theoretical approach	. 10
	2.2 Data collection	. 11
	2.3 Choice of respondents	. 12
	2.4 Interview approach	. 13
	2.5 Document analysis	. 14
3. Social media + Customer relationships = 🤎 ?		
	3.1 The characteristics of social media	. 15
	3.2 The characteristics of customer relationships	. 17
	3.3 Stimulating customer relations in social media	. 17
4. Social media as a strategy		
	4.1 Before entering	. 20
	4.2 Managing social media	. 21
	4.3 Seize the opportunities and overcome the challenges	. 22
5. Communication		. 24
	5.1 Social media; the new communication paradigm	. 24
	5.2 Many to many	. 25
	5.3 Power to the people	. 26
	5.4 Immediate, real-time communication	. 26
	5.5 The informal and unprofessional communication channel	. 28
6. Commitment		
	6.1 Loyalty and commitment	. 30
	6.2 Push and pull strategy	. 32
	6.3 The tourism service and how to be interesting	. 33
7. Cooperation		
	7.1 A co-creating value process	. 36
	7.2 The pleasure to help each other	. 37
	7.3 Negative comments and poor customer involvement	. 38

8. Trust		
8.1 Being honest 40		
8.2 Trust the anonymous customers		
8.3 Personify the company 42		
9. Shared values		
9.1 Sharing values and interests		
9.2 A sense of belonging		
0. Conclusions and discussion		
10.1 What role do Social media have for the travel agencies and what strategy do they adopt when using it?		
10.2 What challenges can occur in social media when strengthening customer relations?		
10.3 What opportunities can occur in social media when strengthening the relationship?		
11. Reflections		
Bibliography		
Appendix		

1. Introduction

In this first chapter we give the reader a background of the rise of social media and the new communication paradigm it creates. After a problematization of social media's effect on companies and customer relationships, the purpose of this study is introduced. Finally we present a disposition for how this thesis will be presented.

1.1 Background and problem discussion

Social media has become an integral part of our daily lives. According to Pyramid Research, a third of the all internet activity is made up by active social networking members.¹ Facebook, the largest social network site in the world, has alone more than 400 millions of active users all over the world,² and in Sweden it integrates 40% of the population.³ The growth of social media is not limited to teenagers; it represents a revolutionary trend that incorporates people of all ages.⁴ The emergence of social media has transformed the landscape of communication as it provides ordinary people with a user-friendly, technical infrastructure that allows them have real-time conversations with anyone at anytime.⁵ Hence, this new way of communication creates new opportunities and challenges for organizations to be aware of in their marketing strategies. In contradiction to the traditional, one-way market paradigm where companies had full control of the information being transmitted, social media enables the customer to talk not only to the company but also with other customers.⁶

Research demonstrates that online marketing is ten times more efficient than traditional marketing and only acquire 10 % of the marketing budget.⁷ Consequently it is no surprise that marketers have begun to recognize the potential of social media for marketing purpose. However, Mangold and Faulds claim that the popular business press and academic literature offer marketing managers little guidance for incorporating social media into their marketing strategies. Hence, they contend that many managers lack full appreciation for what role social media can play in the company's marketing mix.⁸ According to Kaplan and Haenlein, firms

¹ Yin, 2008. p 20

² http://www.facebook.com/press/info.php?statistics (2010-05-20)

³ http://www.joinsimon.se/15-trender-inom-sociala-medier-2010/ (2010-05-20)

⁴ Kaplan & Haenlein, 2010. p 59

⁵ http://mindpark.se/business-dating-and-protesting-how-social-media-is-changing-everything/ (2010-05-20)

⁶ Mangold & Faulds, 2009. p 364-365

⁷ Moss, Gunn, & Kubacki, 2008, p. 38

⁸ Mangold & Faulds, 2009. p 358

are not used to a world where consumers are able to speak so freely with each other about their business and the companies do not seem to act comfortably in the social sphere.⁹ Companies must accept that social media is not merely a platform for them to promote their products, more importantly it allows the customers to be active and express their feelings and opinions. Nuud argues that social media should not be seen as a commercial channel, but rather as a communication or conversation channel primarily aimed to stimulate dialogue and long-term relationships.¹⁰

Jardenberg argue that if you have launched a social media site it is important to carry it out. He illustrates that if you get yourself in the boat you better know how to row it! It is easy to create a Facebook page or Twitter account, but harder to keep it alive. In contrast to traditional media, social media exposes the company's level of activity and Jardenberg state that it is embarrassing for the company to display a site without news or updates. Even worse is, if the company should ignore their crowd of fans and not respond to their comments. Social media sites not administrated efficiently can easily turn into relationship graveyards where the customers trust and engagement in the company is seriously damaged.¹¹

According to Scullino, Fjermestad and Ramono, the online relationship creating process provides new opportunities and challenges for companies to be aware of when developing their marketing strategy.¹² We argue that the evolution of social media has changed the terms of how to manage customer relations, and in order to be successful companies must obtain knowledge of how to act in the social sphere. Since social media is a relatively new marketing tool for companies, we find it interesting to examine what role social media can have in strengthening customer relations. Of what purpose do companies use social media and what challenges and opportunities do they face? How do they implement social media in their marketing plans and to what extent can social media help strengthen customer relations? Is it even possible to create strong, long-term customer relationships without face to face interactions? Since social media enables social exchange in a new revolutionary communication paradigm, we find it interesting to analyze the potential of create customer relationships through social media.

⁹ Haenlein & Kaplan, 2010, p. 59-60

¹⁰ http://mindpark.se/social-media-konversationsmarknadsforing/ (2010-05-20)

¹¹ http://mindpark.se/relationskyrkogarden-foretagets-varsta-fiende/ (2010-05-20)

¹² Scullin, Fjermestad, & Nicholas, 2004

1.2 Purpose

The purpose of this thesis is to examine what role social media can play for Swedish travel agencies in order to strengthen their customer relations. We aim to illustrate how five Swedish travel agencies that are active in the social sphere utilize social media to stimulate and strengthen their customer relationships. We also endeavor to illuminate what strategy they adopt when implementing social media, and what challenges and opportunities they face when using social media.

1.3 Disposition

Chapter 1 - Introduction

In this first chapter we give the reader a background of the rise of social media and the new communication paradigm it creates. After a problematization of social media's effect on companies and customer relationship the purpose of this study is introduced. Finally we present a disposition for how this thesis will be presented.

Chapter 2 - Methodology

In this chapter we will give the reader insight of our theoretical approach and data collection. Furthermore we describe our choice of respondents, interview approach and document analysis. The credibility and validity of the empirical data will also be considered.

Chapter 3 - Social media + Customer relationships

In this section we introduce the two main research fields of this thesis; Social media and Customer relations. We discuss different definitions of each subject and then identify what dimensions that characterize social media and what factors that are important when stimulating customer relations. Finally, we present a model that represents the theoretical framework of this thesis. In the following sections (chapter 4-9) we will intertwine theory with our analysis and reflections

Chapter 4 - Social media as a strategy

Before we can examine the relational factors we need to take into consideration of what purpose the travel agencies use social media, and what strategy they follow. In this chapter we illustrate what challenges and opportunities that can occur for travel agencies that decide to enter the social sphere.

Chapter 5 - Communication

In this chapter we will discuss communication and its role for strengthening customer relationship in social media. We begin to reason about the new communication paradigm, the many- to- many interactions and consumers gained power. Further on we discuss communication features in social media such as the immediate communication and the informal and unprofessional communication.

Chapter 6 - Commitment

In the following chapter we aim to discuss commitment as an important factor for strengthening strong relationships and how this can be demonstrated in travel agencies. Thereafter we will discuss the pull and push strategy and what challenges and opportunities this mean. Further we describe the nature of the tourism service and how travel agencies can be interesting in a way that makes customers feel engagement and emotional commitment for the company and their products.

Chapter 7 - Cooperation

In this chapter we aim to reason about cooperation and its role for travel agencies when strengthening relationships in social media. We will emphasize the process of co-creating value and the costumers pleasure of collaborate. Furthermore we argue around challenges such as dealing with negative comments and poor customer involvement.

Chapter 8 - Trust

In this chapter we describe the component trust and its role when strengthening relationships in social media. We aim to discuss the role of being honest, trust anonymous customers and the importance of and how to personify the company.

Chapter 9 - Shared Values

In this chapter we aim to discuss shared values and interests as a mean to strengthen customer relationship in social media and describe how travel agencies are taking advantage of this. We argue around the usage of e- communities and e- groups on the social web sites to facilitate sharing and interacting among individuals with common interests.

Chapter 10 - Conclusions and discussion

In this chapter we will demonstrate significant findings explored throughout our study. We aim to describe what role social media have for the five studied travel agencies and how it is utilized strategically. Further we illustrate the challenges and opportunities when utilize social media based on the elements communication, commitment, trust, collaboration and shared values that are related to customer relationship strengthening.

Chapter 11 - Reflections

In this chapter we reflect on our subject in a wider context and give suggestion of future research.

2. Methodology

In this chapter we will give the reader insight of our theoretical approach and data collection. Furthermore we describe our choice of respondents, interview approach and document analysis. The credibility and validity of the empirical data will also be considered.

2.1 Theoretical approach

To establish a field of research it is essential to conduct a literature review in order to identify a gap in previous literature that motivates the study. ¹³ Though social media has become more influent over the past few years, it is still a relative new phenomenon in the academic research field of marketing.¹⁴ To our knowledge, there has been little previous research study about how Swedish travel agencies can utilize social media to stimulate and strengthen customer relations. Accordingly, the theoretical approach of this research is to assemble general knowledge of factors that are essential in order to strengthen customer relations, and analyze how these can be stimulated in social media. Applying our explorative approach, we will also examine what challenges and opportunities that occur when applying these in a social media context, as well as critically reflect on factors proven crucial for strengthening customer relations by previous research.

When constructing our theoretical framework, a combination of the inductive and deductive approach was utilized. According to Bryman and Bell these two research strategies are often suitable to think of as not merely fixed methods, but rather tendencies that can be used simultaneously.¹⁵ As a starting point in the research process a deductive approach was used, where the existing theory and literature constituted the theoretical framework for the area we aimed to examine. As our purpose is of such a practical and explorative kind, we aimed to maintain an open theoretical approach where our theoretical framework could be adapted to whatever essential aspects that were identified in our study. As Easterby-Smith, Thorpe and Jackson emphasize, a literature review is an ongoing process throughout the entire project of research, and need constant refinements and modifications as new findings emerge along the

¹³ Easterby-Smith, Thorpe, & Jackson, 2008, pp. 29-31

¹⁴ Mangold & Faulds, 2009

¹⁵Bryman and Bell, 2007

process.¹⁶ Accordingly, not to eliminate or disregard important aspects that might be revealed in our research, we found it necessary to use the inductive approach.

The inductive approach also encourages our empirical focus that is motivated by the inadequacy of literature that analyzes social media from a customer relation context. Since the use of social media has exploded over the past few years it is therefore justly to presume that it is also a phenomenon in rapid change. Hence, mainly articles rather than books have been used in this study in order to focus on the most up-to-date research.¹⁷ In order to analyze social media from a relationship perspective we have chose a theoretical framework composed on five relational factors; communication, commitment, trust, cooperation, shared values.¹⁸Arnett, Hunt, & Madhavaram claim that these factors are mentioned most often in research associated with successful relational exchanges. Thus, we will examine these factors proven essential for strengthen customer relations by analyze how these are affected in social media. Due to our empirical focus we have chosen not to present the previous research of the subject separately. After a short introduction of our two research fields' Social media and Customer relationships, we will intertwine the theoretical factors with our empirical findings throughout the thesis.

2.2 Data collection

Since the purpose of this study is to gain an empirical understanding of the field, we have mainly been using primary data in our study. The purpose of this thesis has an explorative character that requires rich and descriptive data to provide a comprehensive knowledge of the subject. We therefore found interviews to be the most favorable research method compared with other possible techniques. While structured surveys with closed answers would limit the respondent's reflections of the subject, interviews allow the respondents to be explorative and consider new angles of the subject.

As stated above, our aim is not to generalize, but to enhance the quality and validity of our research. In order to enhance our theoretical focus we found it relevant to complement our interviews with a document analysis method. One challenge of using explorative interviews as method is that, regardless of the formulation of the questions, some aspects of the travel agencies use of social media might be so obvious to the interviewed person that it never occur

¹⁶Easterby-Smith, Thorpe, & Jackson, 2008, p. 36
¹⁷Easterby-Smith, Thorpe, & Jackson, 2008, p. 39
¹⁸Arnett, Hunt, & Madhavaram, 2006, p. 77

to him to raise the subject. Another risk is that the person might hesitate to address their major challenges or weaknesses. Hence, we find that the method document analysis provides a useful complement to our investigation. By examining the travel agencies social media sites, we could better understand and interpret the issues that were addressed during our interviews. Our document analysis also enabled us to reflect more critically on if the travel agencies use of social media could contribute to strengthening their customer relations.

2.3 Choice of respondents

The purpose of this thesis is to examine what role social media can play for Swedish travel agencies in order to strengthen their customer relations. First we conducted a pilot-study in order to create a sampling frame of Swedish travel agencies that used Facebook, the most commonly used social media platform in Sweden.¹⁹ Instead of trying to generalize we wanted to get a diverse and open perspective, and we therefore chose to incorporate large market-leading companies as well as smaller niched firms. Our selection of the smaller travel agencies was made by a geographical convenience sample. As one of the major aims of this study is to examine both challenges and opportunities, we also sought to incorporate companies that had various experiences of using social media, but also those who find it lucrative and well functioning versus more challenging. In our pre study we examined at which social sites the travel agencies were present, how long they had been using them, their number of fans and followers as well as the activity made by the travel agencies and their customers. We then emailed 15 travel agencies of diverse kind and size, and with various numbers of fans and activity frequency at their social media sites. Out of this sample the following five companies agreed to participate in our study:

Equi tours, a niched travel agency specialized in horse related travels. The company is situated in Limhamn and offer worldwide trips to equestrian sport events to companies and private individuals.

Kilroy, Sweden's largest travel agency specialized in products and services tailor made for youth and students. The company is available in all Nordic countries, as well as in the Netherlands and the UK.

¹⁹ http://www.joinsimon.se/15-trender-inom-sociala-medier-2010/ (2010-05-20)

Poseidon Travel, a maritime travel agency in Helsingborg. They offer cruises, yachting and canal trips all over the world.

Sydafrikaresor, a niched travel agency in Helsingborg. They specialize in trips to South Africa but also offer journeys to Namibia, Mozambique and The Czech Republic.

Ving, Sweden's largest tour operator selling package holidays to over 500 destinations in 50 countries.

2.4 Interview approach

From each of the selected companies, we interviewed the marketer or search optimizers that have the major responsibility for administrating the company's social media sites. All interviews lasted between 40-60 minutes and two were conducted in Helsingborg, and the remaining three were telephone interviews. In order to support the explorative purpose of this study we decided to use a semi-structured interview method. Adapting the semi-structured epistemology, we were able to focus on specific topics from our theoretical framework but at the same time stay flexible and able to adjust the questions according to the responds.²⁰ Prior to the interviews we conducted an interview guide²¹ with open questions inspired by the fundamental relation factors identified in previous literature.²² Yet, we wanted to avoid asking leading questions that could affect the answers. If respondents become aware of what the interviewer aim to explore, they might give answers just to please the interviewer which would affect the credibility of the study.²³ Thus, we strived to keep an open perspective and let the respondents describe how they use social media, and reflect freely on what challenges and opportunities they experience when using it.

We are aware that as interviewers, we had our own set of preconceived ideas making it difficult to embrace the discussion from a complete open-minded perspective. To avoid an incorrectly interpretation of the data, we found it crucial to record and transcribe all our interviews. Additionally, this gave us the opportunity to discuss and thoroughly examine the empirical data to gain a unified understanding. Since we recorded all the interviews we could also make sure that that no information were lost or registered incorrectly. A negative aspect of using a dictaphone is that the respondent might feel uncomfortable and unwilling to speak freely in some matters. Hence we carefully asked our respondents for permission to record the

²⁰ Bryman & Bell, 2007, pp.473-478
²¹ Appendix 1.1
²² Arnett, Hunt, & Madhavaram, 2006, p. 77
²³ Kvale, 1997

interview. However, our questions were of no personal or delicate character, and none of our respondents disagreed to being recorded. Since we executed our interviews in Swedish but write in English, we are aware of the risk of misinterpretations when quoting our respondents in this thesis. For this reason, we have put a great effort in translating our imperial data word by word, in order to reproduce the correct meaning of the quotes.

2.5 Document analysis

In consensus with the rest of our study, we performed an explorative document analysis were we scanned the content on the five travel agencies Facebook sites. This analysis was performed after the interviews and the time limit of activities posted, we narrowed to between first of February to first of May. One advantage of using social media as a source of data is the ease of access and that it can be viewed at any time. However, as operator of the sites, the travel agencies do have the ability to erase comments posted on their own site. Naturally, this is disadvantage when analyzing internet sites such as Facebook. Nevertheless we found that it has been of great significance for our study and in order to obtain an honest relation with their customers, we have no reason to suspect that our respondent would delete previous comments or activities.

In our document analysis we examined the travel agencies Facebook sites from an open perspective where focus was to identify aspects that could complement and bring additional meaning to our interview data.²⁴ For instance, some of the factors being analyzed was company activity, customer activity, respond of comments, types of activity/communication, and indications of customer relation factors.

²⁴ Bryman & Bell, 2007. p 574

3. Social media + Customer relationships = \heartsuit ?

In this section we introduce the two main research fields of this thesis; Social media and Customer relations. We discuss different definitions of each subject and then identify what dimensions that characterize social media and what factors that are important when stimulating customer relations. Finally, we present a model that represents the theoretical framework of this thesis.

3.1 The characteristics of social media

In order to understand what social media is, several authors suggest different definitions. Despite the lack of a general and consistent definition of social media, there are some similar fundamental elements distinguished. Kaplan and Haenlein argue that there seems to be a confusion among managers and academic resarches what exactly the term social media include, and how it differs from related concepts of Web 2.0 and User Generated Content. The term Web 2.0 was first used 2004 to describe a platform where content and applications were not created and published by individuals, but continuously modified by all users in a participatory and collaborative manner. The concept of User Generated Content was introduced 2005 and can be describes as the sum of all ways in which people make use of Social media, as it represent the various media contents that are created and exposed by end-users.²⁵ With this in mind Kaplan and Haenlein define social media as "*a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content"*.²⁶

A more detailed definition of what social media stand for is provided by Mayfield who define social media as a group of new kinds of online media, which share the following characteristics; *Participation*, where contributions and feedback is encouraged from everyone and the line between media and audience is blurred; *Openness* for participation by voting, commenting and sharing information; *Conversation* rather than announcements where a two way communication is encouraged; *Community* that allows people with the same interests to get together and communicate effectively; *Connectedness* that provide the opportunity to make use of links to other sites, resources and people.²⁷

²⁵ Kaplan & Haenlein, 2010, p. 60-62

²⁶ Kaplan & Haenlein, p.60

²⁷ Mayfield, 2008

Mangold and Faulds adapt a more market related definition demonstrating social media as a way for companies to communicate and promote themselves. They emphasize that "Social media is a hybrid element of the promotion mix because it combines characteristics of traditional IMC tools (companies talking to customers) with a highly magnified form of wordof mouth (customers talking to one another) whereby marketing managers cannot control the content and frequency of such information.²⁸ Thus, Mangold and Faulds suggest that social media has two interrelated promotional roles in the market place; enabling companies to talk to their customers, and the customers to talk to one other. The same authors also recognize that social media enables customers to talk to the companies. However, as they claim that this role is market research-related rather than promotional-related, they chose not to incorporate it in their definition of social media as a hybrid of the promotion mix.²⁹ We argue that when adopting a relationship marketing approach of social media, rather than the marketing mix approach adopted by Mangold and Faulds, the third role of social media where customers can talk to the company, is equally important when defining social media. As illustrated by Mayfield's definition social media is characterized by open two-way communications, and we emphasize that it is impossible to analyze customer relations without incorporating both parts of the conversations.

In addition to the characteristics illustrated by Mayfield, the researchers Mangold and Faulds also demonstrate that social media "enable instantaneous, real-time communication, and utilizes multi-media formats (audio and visual presentations) and numerous delivery Platforms (...) with global reach capabilities. "³⁰ We consider that these instantaneous and real-time dimensions are important factors to consider as they distinguish social media from other traditional marketing channels. Combining these two factors with the characteristic of openness, we find that social media can be separated by a wider range of activity than other media channels. When the platforms are open and unrestricted, the instant, real-time communication can be take place as often and frequently as the participants prefer. Here the characteristic of community is significant as the range of activity depends on the participants' interests and motivations to engage in the community.

²⁸ Mangold & Faulds, 2009, p. 358-359

²⁹ Mangold & Faulds, 2008. p 358-359

³⁰ Mangold & Faulds, 2009. p 358-359

3.2 The characteristics of customer relationships

In contradiction to the market mix approach adopted by Mangold and Faulds, a relationship marketing approach was developed in the 1980s as an alternative to the market mix. This market approach suggests that the company's benefits from developing long-term relationships with the customers, where mutual understanding of needs and wants are satisfied.³¹ Gummesson proposes that: *"Relationship marketing (RM) is marketing seen as relationships, networks, and interactions"*. The definition emphasizes an integrative approach, and an active participation between both parts when striving for a mutual win-win situation.³² Hence, adopting this definition it is reasonable to assume that customer relations can be stimulated in social media, as it is structured by customer participation and mutual conversations.

Grönroos has narrowed the term and states that: "*Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met; and that this is done by a mutual exchange and fulfillment of promises*".³³ We find this definition of particular interest as it correlates with the features of social media, in that relations are established, maintained and enhanced by mutual exchange. According to this definition it is appropriate to view social media as an opportunity to strengthen customer relationship as an integrative communication channel. Porter discusses the process of relationship marketing and argues that: "*Relationship marketing is the process whereby both parties – the buyer and seller – establish an effective, efficient, enjoyable, enthusiastic and ethical relationship: one that is personally, professionally and profitable rewarding to both parties.*"³⁴ This definition highlights the customer's motivation for engaging in the relationship, by indicating that the relationship marketing process must be enjoyable and efficient for the customer, as well as for the company. This circumstance can be referred to the social media definition, which illustrated that customers must feel interested and motivated in order to participate at the site.

3.3 Stimulating customer relations in social media

Risely argue that customer relationship is one of the most valuable assets and remain as a key to business success today. He points out that by utilizing internet and social media, building

³¹ Sääksjärvi, Hellén, Gummerus, & Grönroos, 2010, pp. 46-47

³² Gummesson, 1994, p. 2

³³ Grönroos, 1996, p. 11

³⁴ Clive Porter 1993, in Gummesson, 2004

customer relationships has become easier, faster and more affordable than ever.³⁵ The internet provides a significant resource in the way that valuable relationships can be developed and maintained. The amount of interaction points consist as a good platform for the complex nature of relationship to be created.³⁶ Virtual communities via internet enable social exchange which can strengthen the relationship.³⁷ The interactional benefits of internet such as greater information accessibility and sharing make it easier for customers to share information with the companies. Both parties can become friendlier and develop a better understanding of each other. By developing customers awareness of the firm online and providing service and support firms can nurture positive relationships with their customers.³⁸ Additionally, using new technology to enhance customer relationships and customer loyalty assume that customers adopt the new technology, which sometimes can be problematic.³⁹ According to Gummesson it also requires that the firm is active and has the right attitude to social media.⁴⁰

McInnes claims that social media will become an integral part for managing customer relations. Both social media and customer relationship management are about conversations and conversations online can become value-creating relationships⁴¹ and require mutual respect, trust and an ongoing dialogues.⁴² According to Schipul social media marketers need to create an environment in which social media activities can flourish and succeed naturally.⁴³ Several authors have discussed what characterize successful customer relationships. Arnett, Hunt, & Madhavaram provide an exhaustive compilation of factors mentioned most frequently in research of successful customer relationships.⁴⁴ When analyzing these factors from a social media context, we find that five factors stand out not only as significant for creating strong customer relationships, but also as important features that characterize social media. We have created a model of theses factors; *communication, trust, commitment, cooperation* and *shared values,* as a framework that will help us determine if Social media + Customer relationships really is true love.

- ³⁷ Lagrosen, 2005, p. 64; Sands, 2003
- ³⁸ Lagrosen, 2005
- ³⁹ Hoang, Phuong, & William, 2008
- ⁴⁰ Gummesson, 2004, p. 99

⁴² Risley, 2009

³⁵ Risley, 2009

³⁶ Lagrosen, 2005, p. 64

⁴¹ Social discourse, 2010; Johns, 2009

⁴³ Schipul, 2009, p. 12

⁴⁴ Arnett, Hunt, & Madhavaram, 2006, p. 77

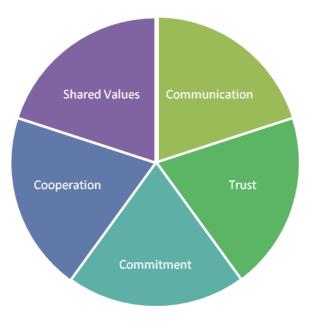


Figure 1:1 Critical factors for successful relational exchange within customer relationship marketing. (Inspired by Arnett, Hunt, & Madhavaram)

4. Social media as a strategy

Before we can examine the relational factors we need to take into consideration of what purpose the travel agencies use social media, and what strategy they follow. In this chapter we illustrate what challenges and opportunities that can occur for travel agencies that decide to enter the social sphere.

4.1 Before entering

Social media is a relative new marketing tool for companies to work with and there is still much to investigate about social media strategies. Shirky claims that although there is no recipe for how to be successful in social media, every winning system is a mix of social and technical factors.⁴⁵ Pepper maintain that many companies fail in social media because they enter the social sphere, without investigating the landscape to find out what people like and dislike. Hynes also argue that companies should not participate in the social sphere before understanding the environment, have a clear idea of what to communicate and how to do it. Most importantly, companies need to figure out what customers gain by joining their site, what motivates them to participate and post positive feedback?⁴⁶ Kaplan and Haenlein also affirm that companies should remember that social media existed before they decided to participate. Hence, firms should not expect that they know how to use it, but instead take time to learn about its history and rules.⁴⁷

To obtain maximum effect of social media, Kaplan and Haenlein contend that companies must work strategically and carefully select social media channels that are best suited for the company to be present in. As social media offer a large amount of different platforms, the same authors claim that it is not possible, nor necessary, to participate in all of them. Defining the company's target audience and their purpose for using social media, provide some useful guidelines when selecting sites and entering the social sphere. Different platforms offer various features, and depending on the purpose and target audience, different channels might be best suited for different companies. In order to reach as many customers as possible,

 ⁴⁵ Shirky, 2008. p 260-263
 ⁴⁶ Yin, 2008. p 21

⁴⁷ Kaplan & Haenlein, 2010. p 66

Kaplan and Haenlein claim that a lucrative strategy is to use a set of contact channels within the same group and let different channels complement each-other.⁴⁸

Shokora states that social media must be intergrated strategically and points out that companies should have a well thought-out plan to follow, from the initial brainstorm session to execution.⁴⁹ None of the five interviewed travel agencies in this study claimed to have a clear, pre-defined strategy for using social media. However, during our interviews we were able to distinguish some fundamental policies, such as not being too commercial. Kilroy state that "we haven't got a specific social media plan, it follows the general market plan, but we communicate it a little differently." Mangold and Faulds argue that social media should be integrated in the company's promotion mix when developing their integrated market communication strategies.⁵⁰ As we will show in this thesis, social media differ from traditional market channels and must therefore be used differently. Kilroy even argue that in order to stay genuine and spontaneous, social media should not be operated by a manual. It is a fine line between keeping social media genuine and honest, but at the same time operating it in a successful and conscious way stimulating customer relations. Taking this into consideration, we still argue that the ability to develop a flexible and customer-oriented social media strategy is a vital aspect in order to determine the success of the company.

4.2 Managing social media

Our pilot-study indicated that social media is a relatively new tool for Swedish travel agencies, and that many of them are uncertain of how to utilize it. Kilroy emphasize that a major challenge when using social media is the lack of knowledge of how to manage it. They express that "many marketers are educated traditionally (...) Hence they are not taught how to use social media, instead it is something they have to follow and learn by themselves." The travel agencies consider social media as an art that need to be learned by doing, and our respondents affirm that they experiment to find out what works and what does not. Evidently, it is the marketer's personal skill and interest for social media, rather than formal education, that affect the company's success in social media. Poseidon Travel claims that it is something you often practice at home privately, and then use your personal knowledge at the company's

 ⁴⁸ Kaplan and Haenlein, 2009. p. 65
 ⁴⁹ Yin, 2008, p. 21

⁵⁰ Mangold & Faulds, 2009. p 364

sites. Sydafrikaresor, Ving and Kilroy also explain that they scan the internet on a regular basis to get inspiration from how other travel agencies use social media.

Social media is yet a relatively new phenomenon and we therefore find it relevant to consider the time aspect when analyzing the travel agencies strategic use of social media. Faux argues that it is foolish of companies to believe that they can develop a social media strategy and instantly obtain its benefits. Instead he stress that exploiting social media is a time-and resource-consuming process.⁵¹ The travel agencies in this study emphasized that they started using social media between 6-18 months ago. From this perspective it is easier to understand why they are still experimenting with how to act in the social sphere. Hence, we find it relevant to presume that once they get more familiar with this new communication channel and what benefits it can provide, they will formulate a more specific social media strategy.

4.3 Seize the opportunities and overcome the challenges

To formulate a strategy the company must first recognize what opportunities that are provided and set a purpose for desired achievement. Sydafrikaresor's main focus is to be visible and recognized, and they also emphasize a marketing purpose with potential to distribute offers. Similarly, Poseidon Travel view social media as a display window where you can tell stories and show pictures to raise interest among customers. Furthermore they recognize the opportunity to stimulate relations with potential customers, but also between customers taking part in the same travel expeditions. Equi Tour's purpose indicates a more passive approach where they aim to make their target group aware of their existence and get them into their webpage if interested. Ving use social media mainly as a customer communication channel and to stimulate interactions and conversations with their customers. They exclaim that they joined the social media sphere with low expectations, but were surprised by all the positive effects it provided. Kilroy express a similar purpose; to communicate with the customers interested in a more active communication. They state that the most important issue is to provide a platform where their customers can communicate with each other.

As all five travel agencies entered social media with an explorative approach, rather than with a specific strategy, we can distinguish how their image of social media has been influenced by how their sites has developed. For example if customers are very communicative at their site, the company might recognize a greater potential and exploit greater benefits than a company

⁵¹ Faux, 2006. p 39

that only has got a small number of passive members. The travel agencies have therefore developed different methods adjusted to the activity of their sites, and consequently they also face various opportunities and challenges.

The travel agencies have several ideas for what they would like to accomplish in social media, but emphasize that time is a critical factor. Kilroy maintain that "we can do much, much more, or we will do much more, it is mainly a lack of time actually." Sydafrikaresor claim that since social media is not easily measured, it is difficult to demonstrate what benefits it provides the company. Their social administrator also finds it challenging to motivate the other members of staff to engage in the company's social media sites. King urges firms to participate in social media no matter how time-consuming it might be.52 Poseidon Travel recognizes the importance of investing time in the social media, and stress that all members of staff should learn how to use social media. They exclaim that "Companies argue that you may not use Facebook during work hours, I would say the opposite; damn you if you aren't online at Facebook." Kaplan and Haenlein also emphasize the time disposal as a critical issue for many companies using social media. They suggest that the company should align their social media activities with each other, for example linking photo sharing medium such as Flickr to time-consuming.⁵³ Facebook or MySpace, in order to make it less

When the companies' purpose and strategy has been identified, we can move on to analyze how the relational factors *communication, commitment, cooperation, trust and shared values* affect the strategies. We will examine what challenges and opportunities they create for the companies using social media, and how they affect the companies' ability to create and maintain strong customer relationships.

⁵² Yin, 2008. p 21

⁵³ Kaplan and Haenlein, 2009. p 65

5. Communication

In this section we will start to discuss communication and its role in strengthening the customer relationship in social media. We begin to reason about the new communication paradigm, the many to many interactions and the customers gained power. Further on we discuss different communication features in social media, such as the immediate communication and the informal and unprofessional communication.

5.1 Social media; the new communication paradigm

Mangold and Faulds state that it has been an explosion of social media during the 21st century that has had a major influence on consumer behavior, such as awareness, information acquisition, attitudes and communication manners.⁵⁴ Social media has significantly changed the tools and strategies of communication, and there has been a shift in the way people are talking to each other. Ving recognize an enormous potential of using social media in order to reach out to present and potential customers. They illustrate that while they have 600 000 customers a year, Facebook has 3 million users in Sweden alone. Kilroy estimate that 97% of their target audience use Facebook or blogs, and therefore the company find it inevitable not to be present in the social media sphere. It is something that their customers expect of them. In this study we will illustrate how social media can provide opportunities to add value to the company's service process. Also, if Kilroy do not communicate with their customers present at their sites, they miss out on opportunities to strengthen the customer relationship. Kilroy reflect that in the future, all companies must provide some kind of opportunities for their customers to communicate in social media. They believe that it will be an essential factor in order to determine the success of the company. McInnes claims that social media will become an integral part for managing customer relations. Both social media and customer relationship management are about conversations, and online communication is an important part of the value-creating process.⁵⁵

 ⁵⁴ Mangold and Faulds, 2009. p 358
 ⁵⁵ Social discourse, 2010 & Johns, 2009

5.2 Many to many

According to Cherenson communication is one of the top challenges we face in today's society.⁵⁶ The emergence of social media does not only enable companies to talk to their customers, it enables customers to talk with the company and customers to talk with one another.⁵⁷ According to Lagrosen and Gummesson social media enable many to many communication in a networking style that includes a large amount of relations and interactions. All kinds of participants are blended in an end-less network where companies and customers influence each other.⁵⁸ This creates new opportunities and challenges for the firms to be aware of in their marketing strategy.⁵⁹

Many researchers claim that there is a tendency among companies to put too much focus on technical investment, and consider them as the most important aspect of using the internet.⁶⁰ When we asked the travel agencies what challenges they experienced using social media, Poseidon Travel and Sydafrikaresor both named technological factors as their major challenge. However, it is the communication enabled by the technologies that contributes to the success.⁶¹ Though it is the personal connections that matter the most, many companies fail in their conversations.⁶² Equi Tours points out the challenge of how to communicate, and argue that it is hard to know what to write in social media. Schipul states that even if social media allow people to reach out to a great crowd, it is important not to lose sight of the individual.⁶³ Social media is intimate and enable interactions are dynamic and Schipul reflects further that it is probably more important what response you receive than what you send.⁶⁴ According to Gummesson relations, network and interactions are the most important ingredients in many to many marketing.⁶⁵ This indicates that social media can be a way of enhancing relationships thanks to the large interaction among customers.

⁵⁶ Cherenson, 2009, p. 8

⁵⁷ Faulds & Mangold, 2009, pp. 358-359; Gummesson, 2004, p. 106

⁵⁸ Lagrosen, 2005; Gummesson p 20-21

⁵⁹ Cherenson, 2009, p. 8

⁶⁰ Johns, 2009, p. 18; Walton, 2010, p. 15; Gummesson, 2004, pp. 32-33, 36

⁶¹ Johns, 2009, p. 18; Walton, 2010, p. 15; Gummesson, 2004, pp. 32-33, 36

⁶² Walton, 2010, p. 15

⁶³ Schipul, 2009; Gummesson, 2004, p. 38

⁶⁴ Schipul, 2009

⁶⁵ Gummesson, 2004, p. 196

5.3 Power to the people

Mangold and Faulds argue that there has been a shift from the traditional one-way integrated market communication strategies, were marketers had full control over the information being distributed, towards a new communication paradigm where skeptical and demanding customers increase their influences in the marketplace. In this new paradigm, the traditional view that a dissatisfied customer tells ten people is no longer valid. A dissatisfied customer using social media can tell 10 million people over one night. In that sense, social media can be seen as an extension of traditional word-of-mouth communication.⁶⁶ The travel agencies interviewed in this study recognized this limited degree of control, but they did not only see this as problematic. Equi Tours and Ving pointed out that they have to accept the way information nowadays flows and that it is impossible to control what is being said about them in social media. In fact, the interviewed travel agencies rather welcome such customer to customer communications. Sydafrikaresor experience another challenge in the new kind of space social media creates, where conversations and comments are very public to others. They state that the public space could reduce customer's willingness to express their opinions when communicating with the company, as they might feel exposed.

Social media provides key relationships that can be maintained since it allows different kinds of interactions corresponding with the nature of the relationship and allows interactions both between the company and between individuals.⁶⁷ Poseidon gives a good example of this, related to the crisis with the volcano ash that restricted the air traffic in April/May 2010. At that situation market leading travel agencies created a page on Facebook where their customers, stuck on the airport could integrate and organize their lift home. In this case, we see the company as an important facilitator of a many to many integration in social media. Both the customers and indirectly the travel agencies gained on the action which could strengthen their relationship.

5.4 Immediate, real-time communication

Social media enables companies to have a real-time dialogue with their customers. The social media platforms provide opportunities for the companies to listen to immediate feedback about their promotion and services. Hence it allows the PR assistants to react earlier and more

⁶⁶ Faulds & Mangold, 2009

⁶⁷ Lagrosen, 2005

directly on the received information.⁶⁸ Kilroy has a similar point of view and emphasize that the major potential of social media is the possibility to get immediate response from the customers, and that the customers can communicate with each other in real-time. Sydafrikaresor and Ving also point out the great potential of rapid distribution of information in crisis situations such as the volcanic ash problem mentioned above. According to our document analysis the fast information were greatly appreciated among customers.⁶⁹ Poseidon Travel contends that during the crisis, the Facebook sites provided the customers stuck at the airports with the latest information, help and support. To maintain strong customer relations, we believe that a critical issue is how companies handle crisis such as the volcanic ash. Since the standard communication channels often tend to work poorly during crises, social media can provide a fast and updated platform where both the company and the customers can provide information.

Tsai maintain that social presence is not only a nice gesture, but that the real-time platform make customer expect that companies are available all the time.⁷⁰ This is apparent at Ving's Facebook site where customers seem to have gotten used to fast responses from Ving, asking questions that require an answer the same day.⁷¹ Poseidon Travel affirm that when you use social media as a private person you do not talk all the time, but when it comes to companies there has to be a constant activity. If you cannot find the time to be present and listen to the customer, they propose that it is better to close down the site. Poseidon Travel also exclaims that "*it is about following the trends* (...) *if you do not update (your site) you are out of the game*". Ving also emphasize that it is important to be there for the customers and to be available when they want to have a dialogue with you. If the company is unreachable it will miss out on the opportunity to create well-functioned relationships.

Real-time communication does not only create opportunities, it also creates challenging expectations for companies such as constantly being updated and present. Ving illustrate that "a problem with social media being an immediate medium, is that information tend to leak out there almost before we have had time to communicate it to the staff on site". We reflect that if the customers are more updated with information than the members of staff, the company will have a hard time providing professional and qualified services. Hence, it is vital that the travel agencies find ways to organize their communication routines so that even the

⁶⁸ Yin, 2008. p 20

⁶⁹ Appendix 2

⁷⁰ Tsai, 2009, s. 18

⁷¹ Appendix 4

members of staff are being immediately updated. Ving also explain that when customers communicate with the company at Facebook, they expect an immediate response regardless of the issue. For instance, if customers post complaints on the company's Facebook site, the normal lead time at customer support might be a week, but on Facebook answers are expected instantly. Ving emphasize that this creates internal challenges as administrators are not always able to answer the questions or solve the customer's problems, as it concerns different departments at the company.

In order to manage the immediate, real-time customer conversations, the company must find a way to shorten and reorganize the internal communication process. We suggest that one method is to encourage internal use of social media, where all members of staff can communicate directly, regardless of geographic distance or organizational hierarchies.⁷²

5.5 The informal and unprofessional communication channel

Kaplan and Haenlein reason that companies should avoid overly-professional contents and not hesitate to make mistakes when using social media. It is better to implement an informal approach of the communication in social media than stay formal and correct. Companies should simply try to blend in with the crowd rather than hiring professionals to run their social media sites. They illustrate how some companies post regular stories and updates about their working experiences on the company blog, communicated in the same language that they would use among friends. Kaplan and Haenlein conclude that companies should consider customers at the social networks as people like themselves, and realize that everything does not necessarily has to work perfect.⁷³ Sydafrikaresors social media administrator exclaims that he works from the supposition of how he privately would like companies to communicate with him in social media, and then try to act accordingly. When companies dare to appear human and communicate in an informal and honest way, we believe that their customers are more likely to identify with the company, and hence feel more motivated to engaging in a relationship.

Sydafrikaresor state that one of the major opportunities within social media is the possibility to keep a short, but regular contact with their customer. They explain that when the customers call them or visit the agency, they have a specific purpose and expect professional and

⁷² Brzozowski, Sandholm, & Hogg, 2009

⁷³ Kaplan & Heinlein, 2010. p 67

efficient assistance. In social media on the other hand, they do not always have a specific purpose for their visit, and this entitles the travel agency to act more informal and communicate in a more casual way. Poseidon emphasize that the major potential of using social media, is that it allows companies to have a spontaneous and easygoing communication that does not exist in other medium. Sydafikaresor also emphasize that it is easier to "become buddies" in social media, and to chitchat and really get to know the customers. Aedhmar Hynes emphasize that social media is more about conversations in real language, rather than corporate conversations.⁷⁴

Opportunities:

- Able to reach out and interact with a large audience
- Able to be present where the customers socialize ; co-creating value
- Provide many to many communication and networks with interaction
- Allow many types of interaction styles
- Fast medium; immediate responses and updates
- Ability to keep short, regular conversations

Challenges:

- Many to many network influence from all
- Fail in conversation; loose sight of the individuals
- Negative word of mouth
- Fast medium- internal problems to give instant customer support
- Customer expect a present and active company at all times

⁷⁴ Yin, 2008. p 20



Trust

6. Commitment

In this chapter we will discuss commitment as an important factor for building strong relationships, and how this can be demonstrated in travel agencies. Thereafter we will discuss the pull and push strategy and what challenges and opportunities they provide. Furthermore we will analyze what distinguish the tourism industry when it comes to being interesting and stimulating customer engagement and emotional commitment towards the company by using social media.

6.1 Loyalty and commitment

Today it takes more effort to build a strong relationship with the customer than just satisfy their needs.⁷⁵ Additionally, building strong relationships also require that the customer feels committed to the company.⁷⁶ Liljander and Strandvik conclude that commitment and loyalty are two related concepts. They define loyalty with an action based approach such as repeat purchase behavior, and define commitment in a more attitudinal way such as parties' intentions to act and their attitude towards interacting with each other.⁷⁷ Coyles & Gokey define commitment as a desire to maintain a valuable relationship.⁷⁸ Depending on the customer's intentions to interact with a company, we believe it is important that the company communicate in an appealing way to their customers and equally important, in channels that the customers find attractive. In order to demonstrate the core value of the company, Kilroy exclaim that they rather promote adventures round-the-world-trips than voyages in Greece, even though they offer such journeys too. This is a way of showing the customers what Kilroy stands for, and to create commitment with customers that want to travel "The Kilroy Way". If the customers are satisfied with the trip, their attitude towards the company can appear in social media by giving recommendations. Hoang, Phuong, & William argue that commitment correlates with the customers' willingness to recommend the company to other customers.⁷⁹ Kilroy illustrate that happy customers tend to recommend the company to friends and

⁷⁵ Grönroos, Storbacka, & Strandvik, 1994, p. 23, 27 and Coyles & Gokey, 2005, p. 101

⁷⁶ Grönroos, Storbacka, & Strandvik, 1994, pp. 27-28

⁷⁷ Liljander & Strandvik, 1993b in Grönroos, Storbacka, & Strandvik, 1994, pp. 27-28

⁷⁸ Coyles & Gokey, 2005, p. 17

⁷⁹ Hoang, Phuong, & William, 2008, p. 195

families, but also indirect to strangers when communicating their experiences at Kilroy's Blog or other social media sites. We believe that this is a great indication if the company has succeeded in building a strong customer relationship or not. Customers who express their satisfaction towards the company also show their willingness to give something back, and this is what a relationship is about. Kilroy points out that it is just as important when customers talk about the company with someone face-to-face, as when they do it on social media platforms. We believe that even though all positive word-of-mouth is good, word-of-mouth in social media will have a greater impact as it is more likely to spread to a greater audience. Kilroy acknowledge that destinations that has been given much attention at their blog site or forums, often stimulate a great demand among other customers. Hence, loyal and committed customers can create great value for the company when spreading positive word-of-mouth. Sydafrikaresor recognize the potential of customer's positive feedback and link the positive comments posted about them at various platforms, to the company's Facebook site.

According to Jones, Fabrigar, Fox, & Taylor affective commitment is a key driver of customer loyalty in service relationships which is based upon customers' feelings, identification, loyalty and affiliation to the company.⁸⁰ Affective commitment reflects an individual's desire to remain in a relationship where the customer has a positive emotional bond to a service organization.⁸¹ Coyles & Gokey claim that customers with emotional motives are the most loyal and valuable customers as they strongly feel that their choice of brand is the best for them.⁸² Kilroy claim that they have a strong brand loyalty among their target audience, and that their customers identify themselves with Kilroy and feel that they travel "The Kilroy-way". The agency argues that the customers who best can identify themselves with the company are the ones that will travel the most with it. The customers will feel committed by emotional bonds that will keep them loyal to the company. Kilroy claim that these loyal customers follow the company very actively in social media, interact and leave comments on the company's site. Thus, social media can be a good tool for maintaining these intimate relationships with the loyal customers, and if executed well, it could make them even more loyal.

 ⁸⁰ Jones, Fabrigar, Fox, & Taylor, 2010, p. 16
 ⁸¹ Jones, Fabrigar, Fox, & Taylor, 2010, p. 18
 ⁸² Coyles & Gokey, 2005, p. 102 and Lagrosen, 2005, p. 64

Our suggestion is that customers with positive emotional and attitudinal reasons for having a relationship with the company is more preferable when creating strong and long term relationships. Practical reasons such as the geographical distance or economical benefits are easier for customers to replace for another if a better option arise. Hence, in the following sections we will have an emphasis on affective commitment in social media.

6.2 Push and pull strategy

According to Tsai and Kraus, the new generations of consumers that use digital and mobile media are hungry for knowledge and prefer to pull information rather than having it pushed at them.⁸³ One of the main challenges discussed by the travel agencies in this study is the balance between being active and interesting, but without being too sale-oriented and commercial. Most of the travel agencies are aware that social media differ from traditional marketing channels, and consequently needs to be used in a different way. Poseidon and Sydafrikaresor reflects that if all companies constantly update their social media sites with advertisement, sales-offers and campaigns, the customers will turn bored and no longer find it interesting to keep contact with them. To engage customers there is a need to locate the relevance and targeting. Tsai claim: "now it is marketers who have to find value in the noise" and points out that today's consumers has learned to block out marketing overload and that they are now making their own voices heard. Kilroy claim that they want their customer to feel inspired, rather than push cheap travel tickets. Poseidon claim: "You have to find the right ways to pull people. It is very important to not be intrusive." This indicates that the customer today is picky and that the company has to manage the challenge of being interesting and valuable for the customer, but without being too pushy in order to stimulate customer relationships.

According to Johns the importance for firms to listen to their customers and focus on their needs will increase.⁸⁴ However, Matt Barnett argue that people do not appreciate when brands pretend to listen and then just keep pushing product offers or sales information down the customers' throats. It is rather about conversations, like a chat at the bar where you talk and listen, discuss and get to meet your friend. Ving understand the two-way quality of social media; "we have a fundamental rule to not just use the channel to push offers, our thought is to be able to have a dialogue and that people can ask questions and receive help and at the

 ⁸³ Kraus, 2010; Tsai, 2009, p. 17
 ⁸⁴ Johns, 2009; Tsai, 2009, p. 17

same time we would like to recommend offerings". Hence, they are using a combination of the push and pull method, and consider the dialogue as a way to make a closer connection with the customers.

As mention above Kilroy and Poseidon state that social media is about inspiring their customers and provide interesting information. Ving is trying to encourage their customers to upload pictures of trips they have done. They believe that it is more interesting for other customers to be inspired by than pictures and offers from the company. We propose that this is a pull method, where the customers stimulate desire and need among other customers. Kilroy declare that they have been advised by Facebook not to update their site more often than every third day. Thus, they should not communicate too often and only when they have something relevant to post. Sydafrikaresor have reached the same conclusion from own experiences. They describe how they initially were very active in various travel forums such as backpacker.com, but restricted their comments as they realized that their high answering frequency was not appreciated. Now, they strive to be present and give generous advices, without being too pushy.

6.3 The tourism service and how to be interesting

Customers do not freely engage or feel committed to a person or firm that is not interesting to converse with, thus it is necessary to give them reason for doing so. In other words, companies must use the pull strategy to attract committed customers. Thus, it is important to listen to the customer and find out what they would like to hear, what they want to speak about and what they find interesting, enjoyable and valuable for them.⁸⁵ Faulds and Mangold claim that products that are fun, intriguing and highly visible and engage emotions are more likely to stimulate conversations than products that do not. We conclude that the ability to make customers feel committed to a company vary depending on the character of the product or service, but also on the nature of the company. Kilroy make a similar reflection that social media is more useful when you have products that others like to discuss, analyze and ask questions about. Kilroy emphasize that niched travel agencies makes it easier for the customers to identify with the products and feel more motivated to engage with the company and follow them at social media sites. Poseidon reflects that it is easier for a travel agency to create a "we-feeling" with the customers, but we believe it also due to the nature of their particular service product. Poseidon's sailing tours in groups is a good example that creates a

⁸⁵ Haenlein & Kaplan, 2010, p. 66

desire for discussion, along with their common interest, where social media can be a communication channel for facilitate this. Also, companies like Poseidon, that sells fewer and more expensive travel services, can put more time and effort in getting to know their customers, talk with them and make them feel committed to the company.

According to Mok, Kandampully and Sparks tourism services are more likely to create emotional bonds with the customers, than physical goods. They emphasize that exotic environments, cultures and atmospheres of friendliness and hospitality generate emotions and feelings, and these can all be associated with tourism. We believe that this is an opportunity for the travel agencies to make an emotional connection with their customers through social media. Another aspect to consider is that travel services are experiences where the value is created simultaneous as the service is being consumed⁸⁶ which make it difficult for the customers to estimate the value of the service before purchase. Thus, social media can provide an opportunity to give customers a better picture of what to expect from the company and their service, and hopefully feel more inspired and comfortable to purchase their services. However, it can be a challenge to communicate these attributes of the travel product due to its intangibility.⁸⁷

If the travel agency can show tangible or visible evidence from their journeys this could trigger consumers mind and emotions.⁸⁸ Ving explain that they try to inspire the customers by posting pictures and up-to-date information about appealing events and weather-conditions at their resorts. Such comments can be "right now it is 28 degrees in Egypt, or now we have done something at this hotel, or now it is a carnival here...". Ving put much emphasis to "here and now", where social media can be a great source to mediate inspiring real-time information. Poseidon has taken it a step further by letting their staff and customers' blog travel stories and post pictures at the company's social media sites during their holidays. Kilroy operate a Blog site where their customers can illustrate their travel experiences to friends and family. These blogs are public and Kilroy maintain that other customers often get inspired and buy the same services that has been given extra attention at the blogs and forums. Here social media has a huge potential to communicate immediate up-to-date information, but also by the ability to demonstrate the emotions visually by uploading pictures and videos. Sydafrikaresor points out

 ⁸⁶ Mok, Kandampully, & Sparks, 2001, p. 18
 ⁸⁷ Mok, Kandampully, & Sparks, 2001, p. 17

⁸⁸ Mok, Kandampully, & Sparks, 2001, p. 17

that visual pictures and videos are much more efficient to illustrate an appealing image of the company's services. Still, the travel agencies do not utilize pictures as advantageous as they could and we believe this decrease the opportunities for a closer connection that they could get by customers gained visualization and interest.

According to Faulds & Mangold people are more likely to talk about things they find to be somewhat outrageous and trigger reactions and feelings such as jokes or something unexpected.⁸⁹ Sydafrikaresor state that you need to stand out and be a little cocky in order to get people interested in the company and their sites. Sydafrikaresor have experimented with this by posting provocative comments such as *"Skip Bali and go to South Africa"* in conjunction with articles about Bali. When Sterling Airlines was liquidated Sydafrikaresor posted a comment that *"Sterling strikes none of our customers"*. They exclaim that this generated a huge interest and curiosity on the web, but in order to give something back to the people following the link, they also provided a list of advice for those that had been affected by the bankruptcy. This is vital to maintain a trustworthy relationship with the customers and followers. Though, we consider it may be easy to attract the customer's attention, the company must provide some input of value in order to build a sustainable relationship and make the customers commit to the company. Ving state that the customers must find it meaningful to be a fan of their social media site. They therefore sometimes post offers and information exclusively on Facebook.

Opportunities:

- Stimulate emotional connection by posting pictures, videos and travel stories
- Encourage customers to share their travel experiences on the company's site to inspire other customers
- Posting interesting and outrageous content that trigger peoples curiosity and desire to discuss and engage
- Make loyal customers identify with niched products/services

Challenges:

- The balance between being active and interesting without being too commercial
- Find the right way to pull customers
- Being interesting
- Communicate intangible attributes

⁸⁹ Faulds & Mangold, 2009, p. 363

Trust

Shared Values

7. Cooperation

In this chapter we will discuss the component cooperation and its role when strengthening relationships in social media. We will emphasize the process of co-creating value, the pleasure of collaborate but also knowledge benefits within it. Furthermore we argue around challenges such as dealing with negative comments and poor customer involvement

7.1 A co-creating value process

Internet makes it possible for customers to stay active in all parts of the service process. Customers are not passive recipients but active co-producers and value-creators.⁹⁰ Social media serve as one of the most direct engagement tools for marketers and consequently enable customers to become active social participant. The mutual process has a great impact on creating brand relations.⁹¹ Ving discusses this in terms of "The wheel of Travel" and stress the importance of keeping a good relationship with the customer throughout all stages of the service process. Before the purchase of a journey, Ving's customers are asking a lot for advices, recommendations and inspiration of destinations and hotel on their Facebook page, but also practical information. However, Ving's social media marketer points out that their customers are very generous by sharing their own advices and answering these kinds of questions along with Ving.

According to Gummesson cooperation is essential for relationship marketing, and it is important that both partners are willing to cooperate.⁹² Tourists as consumers are to a great extent involved in the creation of the tourism services product and accordingly, more responsible for the outcome of the tourism experience. For this reason, they need to participate in the service process where they can communicate their needs and requirements effectively.⁹³ Social media is about participation where people create value together.⁹⁴ Many times consumers display great brand loyalty to specific tourism products or services. In order to achieve guaranteed satisfaction the consumer develops trustful social relationships with a

⁹⁰Hoang, Phuong, & William, 2008, p. 36

⁹¹ Social discourse, 2010, p. 28

⁹² Gummesson, 2004, p. 37

⁹³ Mok, Kandampully, & Sparks, 2001. Chapter 1

⁹⁴ Schipul, 2009, p. 12; Gummesson, 2004, p. 37

chosen provider, rely on the providers advice and information, and become repeat customers.⁹⁵

7.2 The pleasure to help each other

According to Gummesson the cooperative function is not merely between the company and the customer, but also between customers and a broader network.⁹⁶ Internet foster collaboration where customers speak to each other about interests and products, they give each other advice and help.⁹⁷ This is a valuable benefit for companies as customers unburden the firm by their free service. Gummesson label this as "part-time employers without salary".⁹⁸ Faulds and Mangold claims that consumers also feel more engaged with products and organizations when they are able to contribute with feedback. The feedback comes in the form of helpful suggestions, criticism or accolades. Taken as a whole, this feedback contributes to a sense of community in which honest, open communications are encouraged and where customer engagement is enhanced.⁹⁹ Ving prefer activity from the customer and hence want to engage them in the company. They strive to encourage their customers to be active and contribute with questions or share their vacation pictures after being out travelling. Ving mean that this sort of involvement makes it more enjoyable for customer than just receiving output from the company. Hence, regarding to Schipul this cooperation relationship makes it valuable for both parts. For the company social media can be used to get greater insight of the customer. It is important for the company to get knowledge of what costumer prefer and value to strengthen performance and gain competitive advantages.¹⁰⁰

Firms can use their knowledge to tailor supplementary services, programs, and systems in its current market offerings and to steer the development of new offerings. It can better sustain customer relationships by documenting its delivery of superior value over time and by discovering new ways to update and strengthening those relationships.¹⁰¹ Ving get a deeper insight of their customers' needs and wishes when sharing ideas, advices and knowledge with customers. At the same time the customers receive fast and free information and advices but also get a feeling that they are valuable contributors in the service process, hence help improving the tourist product.

⁹⁵ Mok, Kandampully, & Sparks, 2001. Chapter 2

⁹⁶ Gummesson, 2004, pp. 105-106

⁹⁷ Gummesson, 2004, pp. 92-93

⁹⁸ Gummesson, 2004, p. 106

⁹⁹ Faulds & Mangold, 2009, p. 361

¹⁰⁰ Anderson & Narus, 1998, p. 54

¹⁰¹ Anderson & Narus, 1998, p. 60

7.3 Negative comments and poor customer involvement

Walton claims that social media users should welcome and embrace negative comments as an opportunity to improve their services.¹⁰² All our respondents recognize the challenge of receiving negative feedback in social media, but emphasize that it is something all companies have to accept. Customers will always communicate positive and negative feedback of products and services in social media, regardless if the companies are present or not. Ving exclaim that this is something the company cannot influence and mean it is rather important to listen to critics. Ving, Kilroy and Sydafrikaresor regularly scan the Internet and social media sites to check what is said about them and when it is needed, they post a reply. However, all of the travel agencies state that they have not received that much negative comments from customers and lack the bad experiences of this.

Sydafrikaresor stress that companies should always strive for a good appearance in social media. If they receive negative feedback they should answer professionally, and ask the customer to contact them in a non-public channel. In contrast to this argumentation, Haenlein and Kaplan declaration that companies should act unprofessional in order to get a closer connection and encourage customers to give advises that can help the company's improvement. However, they never mention if this argument is valid when managing negative criticism. Regarding to Sydafrikaresor we point out another interesting aspect to consider, namely the desire to keep this kind of discussions outside the social media. If customers can see that Sydafrikaresor respond to the negative posts in a good and constructive way this could enhance their image of Sydafrikaresor even more than before. This is an opportunity that most travel agencies are not aware of.

Poseidon Travel demonstrates another challenge considering the customer activity they appreciate. They claim that they would like their customers to write more about themselves and their sail tours experiences, give advice and knowledge to others and have a dialogue and a debate. Thus, they mean that it would probably be different if they had more fans on their Facebook page. Now they have reached the number of 124 fans¹⁰³, comparing to Ving that have 9899 fans.¹⁰⁴ Poseidon believe that if they had 10 000 fans it would be a greater opportunity to enact communication. Accordingly, we believe it is a greater prerequisite for larger companies to have a rich communication with their customers than smaller companies

¹⁰² Walton, 2010, p. 15

¹⁰³ http://www.facebook.com/pages/Poseidon-Travel-AB/307999917477?v=wall&ref=ts (2010-05-22)

¹⁰⁴ http://www.facebook.com/#!/vingresor?ref=ts (2010-05-22)

that has fewer costumers. Hence, it is more challenging for smaller companies to start a cooperation process in social media as the amount of collaborators is less. Regarding to this it seems that it requires several critical components for a cooperation process to succeed. The technical condition that enable people to interact, the willingness from the company and customers contributing to the value they get from participating, and also the activity that easiest arise when there are many members.

Opportunities:

- Social media stimulate interaction and cooperation in many stages of the service process
- Cooperation to gain knowledge of the customers wants and need
- Take advantages of customer's pleasure to collaborate, a win – win situation.

Challenges:

- Increase the activity among members for co-creating value
- Difficulties to respond to anonymous people's critics
- Small amount of customer participants creates less cooperation

Communication	Commitment	Cooperation	Trust	Shared Values

8. Trust

In this chapter we will discuss the component trust and its role when strengthening relationships in social media. We will discuss around the role of being honest, trusting anonymous customers and the importance of personifying the company.

8.1 Being honest

According to Planander trust is a vital component in the process of building strong customer relationships. Without trust the relation is doomed to fail. She also adds that it is not an easy task to build trust; it takes a long time to assemble but it could be destroyed in a second. To rebuild a damaged relationship, it takes ten times the effort it initially took to build it.¹⁰⁵

Russo and Peacock affirm that if a company wants their customers to participate in their community, it requires trust rather than rational planning methods. They argue that participation depends on mutual trust rather than pre-scripted communication controlled by companies.¹⁰⁶ As illustrated by Kilroy above, social media differ from traditional marketing channels and must be used more open and spontaneously. The customers have to trust that the company communicates in an honest and genuine manner, rather than operating by a fixed manual. Foux argues that by using social media sites, companies can develop trust and openness. He maintains that customers consider social media as the most trustworthy source of information and therefore frequently use social media as a source of information prior to their purchase decisions. He claims that one of the key benefits of using social media is to build trust and to illustrate openness and honesty. Customers appreciate companies that offer information and help them getting in contact with other customers. Foux concludes that social media can result in increased customer satisfaction which will lead to loyalty and customer retention.¹⁰⁷ Russo and Peacock also emphasize that when participation in social media is

¹⁰⁵ Planander, 2002. Chapter 7

 ¹⁰⁶ Russo & Peacock, 2009. p 10
 ¹⁰⁷ Foux, 2006. p 38-39

approached from a mutual trust perspective, it becomes evident that it is more about relationship rather than occasional interactions.¹⁰⁸

Kaplan and Haenlein propose that companies using social media must be honest and play by the rules. Companies should respect that there are some social media spheres where firms are not allow to interfere, and should not try to use these spaces to market their product under false identities.¹⁰⁹ Kilroy make a similar reflection and maintain that their customers must be confident that Kilroy will only communicate in the company's name, and not acting like a customer in order to give a positive image of the firm. They explain that "we do not want to interfere at our blog site or forums, since that space is for the customers to communicate in. We may certainly not go in there to promote things." Kilroy also claim that they try to be as honest as possible in their communication and do not try to control or direct the conversations. However, Foux argues that many companies find it difficult to adjust to the power shift that social media creates between companies and customers. He affirms that while companies are able to influence the discussions, they cannot control it.¹¹⁰

8.2 Trust the anonymous customers

Russo and Peacock state that social media communities are fluid, unpredictable and openended and hence require radical trust. The participation in the communities depends on mutual trust and reciprocity where all participants act in good faith.¹¹¹ While all of our respondents hoped that the customers found them reliable and competent, they expressed a limited amount of trust for the customers' active in the social media sphere. Kilroy exclaim that "*I don't think we have any reasons to distrust anyone, but I would not say that we have a great amount of trust either*." Sydafrikaresor explain that negative comments and complains are more often posted anonymously in forums, and most of the time not at the company's own sites. They reflect that customers might not be confident to use their real identity when posting native feedback, due to the risk of being reproved in the social sphere. Hence, Sydafrikaresor find it challenging to meet and respond to negative feedback when the complaining person is anonymous and might not make further contact with the company than a comment in a forum. This anonymity contributes to a reduced trust from the company's point of view, as it is difficult to trust someone when you do not know who the person is.

¹⁰⁸ Russo & Peacock, 2009. p 10

¹⁰⁹ Kaplan & Haenlein, 2010. p 67

¹¹⁰ Foux, 2006. p 39

¹¹¹ Russo & Peacock, 2009. p 10

Sydafrikaresor also illustrate that they have received some questionable complaints such as that the company did not inform the customer "that it would be so many niggers in Mozambique". We argue that mutual trust is vital for a sustainable relationship and if the company expects the customer to trust them, they must also have faith in that their customers are being honest. Hence, trusting an anonymous, online customer is a new and challenging task that all companies utilizing social media must face. We believe that this make customer relationship yet more important. If the company can get to know the customers and strengthen the relationship also in social media, the customer will feel more confident in showing their identity, and the company's amount of trust will increase.

8.3 Personify the company

As argued above, it is essential for the company to get to know their customers in order to develop a sense of trust. Likewise, it is important for the customers to get to know the company. Foux points out that if the company wants to build trust it is important to show openness and honesty and to put a human face to the company.¹¹² Aedhmar Hynes, CEO of Text 100, also highlight the opportunity to provide a more human and less formal and corporate image of the company.¹¹³ Sydafrikaresor affirm that being an online travel agency, social media can help personify the company and make it more familiar and intimate. We reflect that if there are few face to face interactions between the company and its customers, it is important to obtain the personal and intimate feeling in other ways. To accomplish this, Sydafrikaresor and Poseidon have created bylines, accompanied by a picture and presentation of their members of staff in their social media channels. Sydafrikaresor also emphasize that it can be interesting to let the customer see pictures of the office and to illustrate that they are a small and carrying company rather than a large and impersonal firm.¹¹⁴

Our document analysis of the travel agencies Facebook sites indicate that most companies communicate anonymously in their company name rather than illustrating pictures or names of the staff. We reflect that it might be a challenging balance between being honest and professional by clearly illustrating the company's name, and being personal and private.

 ¹¹² Faux, 2006. p 38
 ¹¹³ Yin, 2008, p 20
 ¹¹⁴ Appendix 5

Opportunities:

- Social media is considered the most trustworthy source of information
- Can put a human face to the company and make it more personal
- Mutual trust concerns relationships rather than occasional interaction

Challenges:

- Avoid controlling the conversations and let them flow
- Trust anonymous customers
- Rebuild trust takes long time

Shared Values

9. Shared values

In this chapter we will discuss shared values as a mean to strengthen customer relationship in social media, and describe how travel agencies are taking advantage of this. We argue around the usage of e-communities and e- groups on the social web sites, in order to facilitate sharing and interacting among individuals with a common interest and to create a sense of belonging.

9.1 Sharing values and interests

According to Vargo and Lusch consumers are motivated to engage in relational exchanges with partners whom they share values and interests. They claim that the focus is shifting away from tangible elements toward intangible elements such as skills, information, knowledge, interactivity, connectivity and ongoing relationships.¹¹⁵ Organizations can satisfy this desire by creating e-communities of like-minded individuals that share the same interests and values.¹¹⁶ Social media can offer such websites that provide opportunities for interaction through message boards, forums, and chat rooms.¹¹⁷ These new modes of interactions present a new way of relation building carrying out in social discourses and activities in e-communities and virtual communities.¹¹⁸

Kilroy believe that social media is advantageous when there are people that want to discuss and analyze products and services. They argue that travelers want to interact with other travelers and that social media therefore can create a great value for travel agencies. "*I definitely believe that social media can be of use when you got travelers that want to ask other travelers about different destinations, or if you want to find a travel partner*" In this purpose social media could be utilized to create a community for the travelers sharing their common interest and enhance the process of finding a travel partner. We reflect the company's relationship to the customer benefits and enhances by this. The company's presence is central when customers integrate at their site and the discussion topic considers the company's

¹¹⁵ Vargo and Lusch, 2004, p. 15

¹¹⁶ Faulds & Mangold, 2009, p. 361

¹¹⁷ Faulds & Mangold, 2009, p. 361

¹¹⁸ Lagrosen, 2005, p. 64

service and products. The company is thereby the link between the customers and therefore holds an indirect participation in their discussion.

9.2 A sense of belonging

Poseidon accentuate that they have always been able to communicate with the customers and vice-versa, but there were no forum where the customers could communicate with one another. They believe that Facebook is therefore a great opportunity to create such forum to enable customers to interact. Poseidon Travel organizes sailing tours in groups of 30-50 customers and they demonstrate the importance of bonding the group and create a family-like atmosphere in order to stimulate customer relationships. Poseidon stress the importance of managing the group and the creation of "their world". Poseidon claim: "we work a lot with groups (...) it is about managing the groups and the world that the group is creating. We are like a family which you can communicate with in different ways." To manage this "world" Poseidon put a lot of effort on creating groups on Facebook. The e-groups enable their customers to communicate with each other during the trip but also after the trip. Foux claims that the content of text, images, video and access to unbiased information and opinions of people with similar interests provides a feeling of belonging and involvement where content that are valuable and reliable could be created and found.¹¹⁹ Poseidon's customers are able to share their marina interest through Facebook by conversation, sharing travel stories, images and videos from the trip that create a sense of belonging. According to Grönroos, Storbacka, & Strandvik social, cultural and psychological bonds are connected to customers' values and preferences which make customers want to stay loyal to the company. Thus, these bonds provide high exit barriers. However, it can be challenging for the firms to measure and manage these bonds.¹²⁰

According to Sands e- communities are more likely to succeed if there are opportunities for physical meetings.¹²¹ Hence, combining physical meetings with communication through virtual communities should be seen as optimal to strengthening the relations. According to Poseidon they create the customer relationship on the physical trip and see the communities as a way to maintain these relationships. Sometimes the employers on Poseidon join the trip, sometimes not. However, according to Lagrosen social media should not only be seen as a platform for maintaining relationships but also be seen as a way to create relationships. Equi

¹¹⁹ Foux, 2006, p. 39
¹²⁰ Grönroos, Storbacka, & Strandvik, 1994, p. 27
¹²¹ Sands, 2003, p. 29

Tours also provide group travel for customers with mutual interest. However, they do not recognize social media as an opportunity to create a community where their customers can share and exchange their interests. Poseidon do see the potential but at the same time they claim that it is a challenge to have a community when they do not have that much members, especially due to that some of their customers are elder and not so familiar with social media. Evidently, the composition of the companies target group has a significant impact on how challenging it is for the company to stimulate activity among customers on the social web.

Opportunities:

- To create a sense of belonging and involvement by creating travel ecommunities in social media
- Social media facilitate sharing and interacting
- Combine physical meetings and virtual meetings for a greater effect when strengthening customer relation

Challenges:

- Difficult to measure psychological bond created by shared interest and values
- Not all customer target groups are familiar with social media
- Difficult to stimulate activity in small ecommunities

10. Conclusions and discussion

In this chapter we will demonstrate significant findings explored throughout our study. We aim to illustrate what role social media have for the five travel agencies and what strategy they utilize in social media. Furthermore, we will illustrate the challenges and opportunities that can occur when using social media, adopting the relations factors communication, commitment, trust, collaboration and shared values.

The purpose of this thesis is to examine what role social media can play for Swedish travel agencies in order to strengthen their customer relations. Our aim has been to illustrate how five Swedish travel agencies that are active in the social sphere utilize social media to stimulate and strengthen their customer relationships. We also endeavored to illuminate what strategy they adopt when implementing social media, and what challenges and opportunities they face when using social media.

10.1 What role do Social media have for the travel agencies and what strategy do they adopt when using it?

First of all this study indicates that social media is a new tool for the travel agencies to work with, and that their knowledge of how to use it mainly is obtained by private experiences rather than formal education. The travel agencies in our study do not have a pre-defined strategy for how to utilize social media, as they prefer to have a more flexible approach and take it step by step. Consequently, social media is utilized in a manner where the travel agencies can experiment and learn by practice. We reflect that the absence of strategies probably can be explained by the company's limited knowledge and experiences of social media, and that they might develop a more specified strategy when becoming more familiar with the tool. Several researches affirm that companies often fail when entering the social sphere without a general knowledge of how the platforms work, nor with a well-defined strategy. Hence, the travel agencies in this study seemed to be rather successful despite their lack of strategy and formal knowledge. We reflect that in order to be genuine and honest, the companies might find it more appropriate to use general guidelines rather than a specific strategy.

Initially, the travel agencies expectations of social media were low, but as they began using it they recognized a rising potential. Despite the difficulties of measuring the effects of social media, four of the five travel agencies were convinced that social media provides great opportunities. Our study illustrates a diverse view of what role social media can play for Swedish travel agencies. The companies emphasized benefits such as the ability to reach out to a large number of people, making the customers interested in the company, communicating with the target audience and enabling the customers to communicate with each other. Thus, all of the travel agencies had their own perspective of what opportunities social media could provide for their company.

Thou the companies did not mention managing customer relationships as a main purpose for using social media, four of them gave various examples that can be associated with relationship strengthening. The smaller travel agencies emphasized that they wished that they could use social media as a two-way conversation channel, but find it challenging as their target audience are not active users of social media. Instead, the smaller agencies viewed social media as a way to become buddies with their customers through informal conversations. The market leading companies viewed social media as a communication channel rather than a marketing channel for sales-offers. Having a larger number of fans, they also emphasized the importance of allowing the customers to interact with each other and engaging in relations with customers who share the same interest and values.

10.2 What challenges can occur in social media when strengthening customer relations?

Along with the nature of social media and the new communication paradigm, the travel agencies have experienced several challenges. Initially, the main challenge for the firms was to understand how they should operate in this new communication context. Communication is an essential factor not only in order to strengthen customer relationships, but also in order to manage social media. The travel agencies find it challenging to balance between the push and pull strategies and to be communicative and active, without adopting the traditional, commercial marketing approach. As customer relations, as well as the social media sphere, are dependent on the customer's willingness to participate and collaborate, the relationship building process is not only the companies' responsibility. Also, the number of fans and their collaborative contribution will affect other customer's willingness to participate. For the company, the main challenges are to motivate the customers to engage in the relationships, to appear trustworthy and interesting, but also to stimulate a value-creating relationship between customers who share the same interest. This challenge is particularly emphasized by the travel agencies who's target audience is not significantly active in social media. Also, as more and more companies are joining the social sphere, the company must find ways to stand out of the

crowd and to create emotional bonds that will make the customers identify with the company and its services. We reflect that as social media is developing rapidly and more and more companies join, it will be harder for the companies to attract the customer's attention in the social sphere. As suggested in this thesis, if all companies constantly update their sites with sales-offers and marketing information, the customers will soon be bored and no longer find it interesting to participate.

In contradiction, no customers would find it interesting to participate on sites with no sight of activity or updates. The immediate and real-time nature of social media challenges the companies to constantly be present and provide instant replies. Consequently, companies that utilize social media face internal organizational challenges. In order to meet the customers' expectations, they must coordinate the communication between the social media administrators and other departments, so the company can provide instant and qualified responses regardless of issue.

Another organizational challenge emphasized by smaller travel agencies is how to motivate the members of staff to engage in company's utilization of social media. Since the effects of social media are not easily measured, the social media administrators find it challenging to demonstrate the benefits of using social media. In order to stimulate customer relations, it is important to put a human face to the online travel agencies, and allowing the individual members of staff to have friendly and informal conversations. Yet, they travel agencies illustrated a lack of time, but also that the members of staff do not know how to utilize social media, or found it difficult to come up with interesting topics to communicate to the customers.

A challenge stressed in the academic literature is the company's limited control in the new communication paradigm that social media creates. However, the travel agencies in this study did not consider the customers ability to post negative comments as a major challenge, but rather something that today's companies have to accept. Instead, they welcomed customer feedback in social media as a useful way to improve their business.

10.3 What opportunities can occur in social media when strengthening the relationship?

One of the greatest opportunities of using social media in order to strengthen customer relationships is the possibility to have many to many communication and for consumers to generate content. This study indicates that consumers find it more interesting to engage when other consumers are active and contribute with text, pictures and stories. The agencies that have succeeded to create a social page where interactions flourish have a greater opportunity to obtain valuable co-creating relationships. The travel agencies claim that consumers have many questions before going on a trip, and in this case social media provide an easy and effective tool to ventilate these questions. Consumers often collaborate by answering each other's questions, which is especially good as it unburden the company's workload. However, the travel agencies are also answering questions, giving advices and recommendations of different travel destinations, and also receive feed-back from costumers. We believe this is a collaborative process between many to many, and remain as a form of goodwill from all parts. Hence, in a value creating relationship you give and take. Another opportunity within social media is the possibility to attain honest and trustworthy relationships. If the customers see positive recommendations about the company or their products they will be more likely to develop a relationship with this company.

A beneficial feature in social media is the potential for companies to get to know their customers at a more personal level and build a friendship relation. The travel agencies pointed out the advantage of more spontaneous and easygoing conversation due to the easy access and the short time it takes to get connected in the medium. Hence, it enables informal conversations which are advantageous for travel agencies when creating a personal relationship with the customer. Achieving this opportunity is important for both small and large companies as it is a prerequisite for a closer relation, thus leads to a strong and trustful relationship. We believe that it is easier for smaller agencies to have an informal approach when interacting with their costumers due to their smaller amount of fans. However, the larger travel agencies seem to interact more formal than the smaller agencies. It may depend on their lack of time to post more personal and amusing comments.

The easiness of keeping short, regular contacts in social media is specifically an important opportunity for companies such as travel agencies. As trips mostly occur occasionally, the travel agency and customers' interaction could by social media get extended by keeping the contact. Social media can therefore be a great way to maintain and sustain relationships, specifically when purchases do not occur frequently. A benefit for travel agencies is that people tend to be more emotional connected to a tourism experience than with a physical product. Social media can facilitate to enhance this emotional connection for the travel agencies. There are great abilities to upload visual and inspiring pictures or videos and post

interesting travel stories. Social media also enable customers themselves to share their travel experiences. This can develop strong emotional bonds to the customers which in turn stay over a longer time. The travel agencies are also able to form meeting points for e-communities or e-groups for example special travel tours customers are participating in. In these groups customers can belong to a "virtual world" sharing their common interests and values by interacting in a many to many conversation. This is a good opportunity for the company to create a sense of belonging and involvement among the customer that are connected to the company, which increase the commitment and loyalty as the company is the shared link. We believe it is important to make the relationship enjoyable, funny and inspiring and social media contains an environment more relaxed than over a formal desk and at the same time comprise the interaction and media sharing possibilities. However, face to face interactions are important as well. We believe that travel agencies offering group travel has especially opportunities to create strong relationships due to the enhanced sense of belonging when combining the physical trips along with an e-community where the customers can interact before, during and after the trip with each other and the company.

In this thesis we have illustrated what role social media play for five Swedish travel agencies and what challenges and opportunities they face when using social media. We conclude that the ability to stimulate customer relations in social media depend on the character of the organization and the product and services they offered. Hence, companies need to adjust their social media strategy to their organization and their target audience. Companies must learn how to handle challenges such as managing the balance of push and pull strategies, and organize in a way that all members of staff can contribute to immediate, real-time, informal replies. Social media provide several opportunities for companies to strengthen customer relations such as enhancing the customer's value creating process thanks to a collaborative, many to many communications between customers who share the same values and interests. As a result we conduct that, if used in the right way, social media can be an important tool for travel agencies who wish to strengthen their customer relationships.

11. Reflections

In this chapter we reflect on our subject in a wider context and give suggestions of future research

As our thesis has proceeded we have met young as elderly people talking about social media and most of them are very enthusiastic when talking about the subject. It is almost as you can feel the changing communication paradigm that occurs in the society today. Knowledge thirsty Businesses that want to stay updated with the latest news about it. An increasing number of organizations have started to explore and recognize the benefits of social media as people are spending more time in front of the computer scrolling Facebook status updates and checking out fan pages they like and are interested in. The latest trend now makes it possible to even check your Facebook on your mobile. Taking this into consideration, it is almost impossible to avoid the Facebook phenomena, even for the most stubborn anti-Facebook individuals. We believe it would be interesting in future research to examine the influence that mobile utilizing can have for interactions, conversations and the relationship building in social media. People always have their mobile available which can create new opportunities and challenges for company to deal with in their marketing strategy. Another interesting aspect is to consider if these "virtual worlds" that exist today in social media sooner or later will be the reality for many people. Facebook has on a short time become an essential part of our daily lives today, but how far can it go? How disconnected from the physical world do we permit ourselves to be? And what consequences does it have for a strong customer relationship?

Bibliography

Anderson, J. C., & Narus, J. A. (1998). Business Marketing: Understand What Customers Value. *Författare: Anderson, James C.; Narus, James A.*, 53-64.

Arnett, D. B., Hunt, S. D., & Madhavaram, S. (2006). The Explanatory Foundations of Relationship Marketing Theory. *Journal of Business & Industrial Marketing*, 72-87.

Bryman, A., & Bell, E. (2007). Business Research Methods. New York: Oxford University.

Brzozowski, M., Sandholm, T., & Hogg, T. (2009). *Effects of Feedback and Peer Pressure on Contributions to Enterprise Social Media*. USA: Hewlett-Packard Laboratories.

Cherenson, M. (2009). The most Important we can do is Focus on the Needs of our Members. *Public Relations*, 8-10.

Coyles, S., & Gokey, T. C. (2005). Customer retention is not enough. *Journal of Consumer Marketing*, Vol. 22 No. 2, pp. 101-5.

Easterby-Smith, M., Thorpe, R., & Jackson, P. R. (2008). Management Research. SAGE Publications.

Faulds, D. J., & Mangold, W. G. (2009). Social media: The New Hybrid Element of the Promotion Mix. *Business Horizons*, 357–365.

Foux, G. (2006). Get Your Customer Involved. Brand Strategy, 38-40.

Grönroos, C. (1996). Relationship Marketing: Strategic and Tactical Implications. *Management Decision*, Vol. 34 No. 3, pp. 5-15.

Grönroos, C., Storbacka, K., & Strandvik, T. (1994). Managing Customer Relationships for Profit: The Dynamics of Relationship Quality. *International Journal of Service Industry Management*, 21-38.

Gröönroos, C. (1996). Relationship Marketing: Strategic and Tactical Implications. *Management Decision*, Vol. 34 No.3, pp.114-135.

Gummesson, E. (1994). Making relationship marketing operational. *International Journal of Service Industry*, Vol. 5 No. 5, p. 5-20.

Gummesson, E. (2004). Many- Many Marketing. Malmö: Liber.

Haenlein, M., & Kaplan, A. M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons*, 59-68.

Hoang, T., Phuong, T., & William, F. (2008). Internet use, Customer Relationships and Loyalty in the Vietnamese Travel Industry. *Asia Pacific Journal of Marketing and Logistics*, 190-210.

Johns, K. (2009). CAN eCRM Capture Hearts? B&T Magazine, 18-22.

Jones, T., Fabrigar, L. R., Fox, G. L., & Taylor, S. F. (2010). Service customer commitment and response. *Journal of Services Marketing*, 16-28.

Kraus, M. (2010). PR must seize opportunities the changing world provides. PR Week, 26-26.

Kvale, S. (1997). Den kvalitativa forskningsintervjun. Lund : Studentlitteratur.

Lagrosen, S. (2005). Effects of the internet on the marketing communication of service companies. *Journal of Services Marketing*, Vol. 19 No. 2, pp. 63-69.

Lusch, R. F., & Vargo, S. L. (2004). Evolving to a New Dominant Logic for Marketing. *Journal of Marketing*, Vol. 68 No 1, pp. 1-17.

Mayfield, A. (2008). What is social media? iCrossing.

Mok, C., Kandampully, J., & Sparks, B. (2001). *Service Quality Management in Hospitality, Tourism, Leisure*. New York: Haworth Hospitality Press.

Moss, G., Gunn, R. W., & Kubacki, K. (2008). The Implications of the Mirroring Principle for the Services Branding Model. *Journal of Marketing Communications*, Vol. 14 No 1, pp. 37-57.

Peacock, D., & Russo, A. (2009). Great Expectations: Sustaining participation in social media. *Museums and the Web 2009, the international conference for culture and heritage on-line: proceedings of an international conference.* Indianapolis: Archives & Museum Informatics.

Planander, A. (2002). Strategiska Allianser och Förtroendeprocesser - En Studie av Strategiska Samarbeten mellan Högteknologiska företag. Lund: Lund Business.

Risley, J. (2009, February). Conversations with Customers. SGB, pp. Vol. 42 No. 2, pp.52-54.

Sands, M. (2003). Integrating the Web and e-mail into a push-pull strategy. *Qualitative Market Research: An International Journal*, Vol. 6 No. 1, pp. 27-37.

Schipul, E. (2009). Social Media Programs: Cultivate, don't Control. Public Relations, 12-13.

Scullin, S. S., Fjermestad, J., & Nicholas, R. C. (2004). E-Relationship marketing: Changes in Traditional Marketing as an Outcome of Electronic Customer Relationship Management. *Journal of Enterprise Information Management*, Vol. 17 No. 6, pp. 410-415.

Shirky, C. (2008). *Here Comes Everybody: The Power of Organizing Without Organisations*. New York: the Penguin Press.

Social discourse. (2010). New Media Age, 28-30.

Sääksjärvi, M., Hellén, K., Gummerus, J., & Grönroos, C. (2010). Love at First Sight or a Long-Term Affair? Different Relationship Levels as Predictors of Customer Committment. *Journal of Relationship Marketing*, 45-61.

Tsai, J. (2009). Taking the Measure of Social Media. CRM Magazine , Vol. 13 No. 7, pp.17-19.

Walton, S. B. (2010). Trendspotting: What you can Expect in the Coming Year. *Public Relations Tactics*, 10-12.

Yin, S. (2008). How social media and PR connect. *Media: Asia's Media & Marketing Newspaper*, 20-22.

Internet sources

Facebook <http://www.facebook.com/press/info.php?statistics> (2010-05-20)

Facebook.http://www.facebook.com/pages/Poseidon-Travel-AB/307999917477?v=wall&ref=ts (2010-05-22)

Facebook. http://www.facebook.com/#!/vingresor?ref=ts (2010-05-22) **Mindpark.** http://mindpark.se/social-media-konversationsmarknadsforing/ (2010-05-20)

Mindpark. http://mindpark.se/relationskyrkogarden-foretagets-varsta-fiende/ (2010-05-20) **Mindpark.** http://mindpark.se/business-dating-and-protesting-how-social-media-is-changingeverything/ (2010-05-20)

www.joinsimon.se <http://www.joinsimon.se/15-trender-inom-sociala-medier-2010/> (2010-05-20)

Muntliga källor

Equi Tours, Annika Jönsson, marknadsförare Kilroy, Madeleine Lindahl, marketer Poseidon, Pekko Svensson, owner Sydafrikaresor. Mattias Gustafsson, Search optimizer Ving. Annika von Schlieben, social media marketer

Appendix

Appendix 1. Interview guide

Personal information - background

Vilken position/befattning har du i företaget? Hur mycket har du jobbat med sociala medier?

Purpose of using social media

När och hur började ni använda sociala medier? Initiativtagare? Av vilken anledning började er resebyrå använda sociala medier, vad vill ni få ut? Hur mycket tid avsätts? Anser ni detta tillräckligt? Vilka förväntningar hade ni innan ni startade? Har syftet/synen på sociala medier förändrats med tiden ni använder dem? Vad var annorlunda? Varför tror ni det? Vilken roll spelar sociala medier för er resebyrå? Tror ni att den ser annorlunda ut i jämförelse med andra sorters företag (ej turism)?

<u>How – General approach</u>

Har ni någon slags strategi el tillvägagångssätt i arbetet med era sociala medier? viktiga faktorer/prio?

Vilka möjligheter ser ni? Vilken är den största nyttan ni som resebyrå haft med sociala medier?

Vilka utmaningar/problem har ni stött på? (tror ni detta skiljer sig jämfört med andra branscher?)

<u>How – Specific approach</u>

Vilka sociala medier använder ni (mest)? Fördelar/nackdelar med dem? Hur går ni tillväga konkret, exempel? vilka aktiviteter/typ av inlägg har ni? (Ex, tävlingar, omröstningar, visa kunder på resa, Informativa, kontaktsökande/integrerande, Intresse/uppmärksamhet, visuella)?

Vilket tycker ni fungerar bra/dåligt, vad ger mest effekt? Typ av aktiviteter, inlägg? Har ni med detta uppmärksammat något slags mönster, tendenser i era sociala medier? Hur ser ni på det?

Hur försöker ni bli bättre i det ni gör?

Vad är viktigast, att ni når ut till era kunder eller att de kan nå er?

Hur stor vikt vid att förmedla företagets värderingar har ni/attitydpåverkan? (em bonds) Eftersom resor är svåra för kunden att sätta värde på innan den konsumerats undrar vi hur ni jobbar för att förmedla och tydliggöra värdet på era tjänster?

Activity, commitment, communication

Hur försöker ni skapa intresse och locka folk till era sidor?

Hur ser ni på konsumenternas aktivitet/passivitet?

Försöker ni skapa/trigga en dialog med era kunder och i så fall hur? (inte bara svara på kundfrågor)

Ser ni några speciella användare som mer betydelsefullare än andra? Vad är viktigast för er, mängd användare kontra hög aktivitet?

Interaktionen är den viktigast/vanligast före, under eller efter kund gjort resa?

Trust, feedback, cooperation

Uppmuntrar ni till feedback, både positiv och negativ? Hur bemöter ni olika reaktioner ifrån kunder? Ex hantera negativa inlägg? Hur ser ni på konsumenternas ökade möjligheter att kommunicera och sprida åsikter om

företaget i sociala medier?

Läser ni av/lyssnar på det som sägs om er i andra medier än era egna sidor?

På vilket sätt försöker ni bygga förtroende med era kunder?

Connection to other areas

Mäter/registreras informationen från kunderna i era sociala medier? Märker ni någon effekt eller respons ifrån er användning av sociala medier, annat än gensvar på sidorna? (Face to face, telefon, aktiviteter, tävlingar osv) Hur används informationen/kundåsikter, reaktioner och feedback? Kopplas/används detta till övriga verksamheten? Hur? Viktigt?

Customer relationship

Vad är en kundrelation för er? Hur viktigt är relationer för er som resebyrå och i så fall varför?

Hur jobbar ni allmänt med att skapa relationer med era kunder? Försöker ni integrera sociala medier i ert allmänna relationskapande? På vilket sätt försöker ni skapa/stärka relationen med era kunder i sociala medier? Vilken betydelse tror ni sociala medier har i kundrelationen? svårigheter? Vilken roll tror ni att sociala medier har för era kunder? (Co creating value) Framtid/utveckling?

Appendix 2. Cooperation



Kristina Larsson Ngn som har varit på Sunwing Resort Makrigialos? Vi ska dit i slutet av maj med våra barn å vill ha lite tips på mat och saker att göra April 14 at 12:07pm · Flag

View all 4 comments



Jeannette Röjnert Ja vi var där för många år sen härligt ställe men då var där inte så mycket att göra. Men dom har ju klubbar för barn April 14 at 6:55pm · Report



Carina Gunnarsson & Jag rekommenderar STARKT Vings all inclusive, då Makrigialos inte är stort. Det räckte gott att gå på 'ute mat' de dagar som inclusive inte gäller. Det är ett Underbart ställe. Vi var också där i slutet av maj. *Avis på er* April 15 at 12:33pm · Report



Linda Säfström Vad är det för skillnad på Grekland o cypern? April 14 at 11:26am · Flag



Jennifer Firan Hultmark jag älskar cypern..varit där flera ggr..men grekland e oxå bra..svår fråga du ställer=) April 15 at 12:01am · Report



Linda Säfström Ok, jag älskar också Grekland men ska åka 24 maj o tänker då att vädret är säkrare på cypern än Grekland:) April 15 at 9:20am · Report



Jennie Kvarnström Nån som varit på Sunwing på alcudia mallis ? hur är det där ? hotellet och barnklubben, aktiviteter mm ? ska dit 2 veckor i augusti med barnen April 14 at 11:15am · Flag

💭 View all 5 comments

View all 4 comments



Anna Karin Bergstedt Kan rekommendera hotell phantea garden i ayia napa. lugnt läge trots att det ligger centralt. god mat, boka halvpension. vi hade en underbar semester.

April 27 at 8:54am · Flag

💭 View all 4 comments



Anna Karin Bergstedt Det fanns en lekplats och ett miniland för barn. Det var även kvällshower som papegojshow, trollkarl mm. maten var jättegod. maten var varierad som texmex, kina, grekisk, pasta olika buffeer varje kväll. En liten buffe för barn med glass till efterrätt. vi hade halvpension det räckte. April 27 at 6:57pm · Report



Suzanne Lycke Almas Håller med dig Anna Karin:) Panthea Garden är verkligen toppen! Vi var där i September och hade också halvpension. Jättegod mat! April 27 at 10:20pm · Report



Anette Wallenholm undrar om ngn har erfaranhet från Green Garden Alanya i turkiet? Berätta gärna postivit och negativt tack! :o) April 26 at 10:07pm · Flag



Vingresor - Ving Sverige AB Hej Anette, Green Garden var vårt mest uppskattade Sun Garden hotell förra sommaren! Utbudet för de minsta är extra stort här, fint poolomårdet, via en gångtunnel är man snabbt nere på stranden. Vill man shoppa är närheten till Alanay ett stort plus. Hälsningar Catarina Ving April 27 at 11:22am · Report



Micke Siljedahl Vi trivdes jättebra på Green Garden när vi var där, nära till lokalt centrum, Ca 3,5 km till Alanya centrum. Nära till stranden, trevliga pooler och mycket bra mat. Vi trivdes så bra på Green Garden så att vi åker tillbaka dit i slutet på Maj. Green Garden har en egen hemsida som du kan titta på.

www.greengardenapart.com April 27 at 5:19pm · Report

Appendix 3. Communication - Immediate, volcano updates



Vingresor - Ving Sverige AB Vulkanutbrott. Störningar i flygtrafiken Askmolnen från den isländska vulkanen sprider sig över norra Europa och påverkar flygen till och från Sverige. Samtliga av Vings flighter har i dag avgått enligt tidtabell men flera flygplatser i Norden och norra Europa har stängt eller kommer att stänga idag torsdag. Vi följer...

See More April 15 at 1:34pm



💭 View all 7 comments



Irene Olofsson Visst är det bra information. Vi ska åka till Barcelona nästa fredag, om det går som planerat. April 15 at 2:21pm · Report



Jeremy Parker Keep us informed! Not fun to wait at an airport. Rather wait here in Thailand! April 15 at 3:16pm · Report



Anne-Catrine Tönnerheim Hur ser det ut för Ving 's resenärer de närmaste dagarna, p.g.a vulkanutbrottet på Island?? April 15 at 1:19pm · Flag



🖒 Anne-Catrine Tönnerheim likes this.



Vingresor - Ving Sverige AB Hej Anne-Catrrine. Vi håller just nu på att se över situationen och hur den kommer påverka oss. Information kommer inom kort, både här och på Ving.se. Bästa hälsningar Lisa på Ving April 15 at 1:20pm · Report

Anne-Catrine Tönnerheim Inte för att jag skall resa just nu, men man vill ju veta, tack! April 15 at 4:07pm · Report



Vingresor - Ving Sverige AB Vi har uppdaterad information om status för hemvändande resenärer från Agadir-Marocko, Cancun-Mexico och Hurgadha-Egypten, på följande länk, http://bit.ly/958ATT

bit.ly bit.ly

April 18 at 7:31pm · Share



💭 View all 18 comments



håller oss underrättade…även våra närmaste hemma kan läsa. Toppen! April 18 at 11:49pm · Report

Anneli Häggkvist Tack för att ni uppdaterar så ofta, och



Suzanne Lycke Almas Ving känns väldigt tryggt! Har två inbokade resor, Mallorca och Thailand:) April 19 at 7:28am · Report

Appendix 4. Customers expect fast response





Appendix 5. Personify the company in social media and get a closer relation

Appendix 6. Emotional connections by inspiring pictures







•

Poseidon Travel AB Solnedgång Taravana Yacht Club, Tahaa



🔃 April 17 at 10:43am via Facebook · Share



Carl-Fredrik Malmgren Uhj vad jobbit.... April 17 at 4:27pm · Report



Poseidon Travel AB Vår dinge - flitigt använd varje dag





Kilroy could use the opportunities by using more pictures

April 29 at 8:15pm · Flag

