Resumé (Abstract in Danish)

Like It or Not

En analyse af sociale medier som en integreret del af kunderelationsstrategier i den danske hotelbranche

Den teknologiske udvikling har i løbet af de sidste to århundreder sænkt nye højder og har som det seneste introduceret det sociale aspekt, hvilket udfordrer virksomheder til at reevaluere deres traditionelle metoder til at skabe og opretholde kunderelationer. Introduktionen af den sociale teknologi repræsenterer et skift i magtbalancen mellem virksomheder og deres kunder og indeholder en lang række muligheder og udfordringer.

En branche som er særligt udsat for udfordringerne ved de sociale medier er hotelbranchen, da en stor del af kunderne i denne branche baserer deres beslutningstagen på informationer tilgængelige på sociale medier. Formålet med denne afhandling er derfor at undersøge, hvorledes de sociale medier kan integreres og dermed forbedre kunderelationerne i den danske hotelbranche. Afhandlingen søger at besvare en række forskningsspørgsmål omhandlende omfanget af den nuværende integration af sociale medier, mulighederne og udfordringerne ved denne integration samt kriterierne for succes ved selve implementeringen. Det metodske grundlag for denne afhandling er baseret på en hermeneutisk tilgang, hvilket giver plads til konstant tolkning af datamaterialet.


Afhandlingen konkluderer, at denne usikkerhed bunder i manglende viden om de specifikke teknologiske muligheder i sociale medier samt en uvidenhed omkring håndtering af eventuelle trusler og udfordringer. Endvidere konkluderer afhandlingen, at opfattelsen af hvor mange ressourcer der er tilstrækkelige for en succesfuld implementering af sociale medier varierer blandt hotelledere; dette har
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1. INTRODUCTION

Within the last two decades we have entered a new era of technology, which sets new standards to the way companies communicate with their customers. Along with the new technology, customer expectations have changed tremendously and customers are no longer satisfied with the simple customization of a product or service. Instead, customers expect companies to highly customize and personalize a product or service through a deeper understanding of their individual needs. The technological era has recently introduced the social aspect of technology; an aspect which allows companies to create online relationships with current and potential customers and investigating their individual needs on a whole new level and thus meeting their advanced expectations. Until now, Customer Relations Management has been the strategic approach to supervising customer behavior and gathering information and insight about their needs in order to meet their expectations. Today, traditional strategies for establishing and maintaining relations with customers are no longer sufficient and companies are pursuing new strategies in order to meet the customers where they are; on social media.

Social Media has made it easier for companies to reach a wider target group of both existing and potential customers and provide companies with the opportunity to interact with customers and potential customers in a more personal way and become closer than before. Whereas traditional databases could gather a lot of transactional data, the data presented through Social Media includes emotional and behavioral knowledge of the customer which adds to customer profiles of a company (Mosadegh & Behboudi 2011, p. 66). In spite of the many benefits and opportunities, Social Media also represent a wide range of challenges and threats. Customers are given the opportunity of “talking back” with just a click of a mouse (Dwivedi, Shibu & Venkatesh 2007, p. 416) which has resulted in a shift of power, as Social Media represents a platform for dialogue rather than one-way-communication.

The Danish hotel industry is experiencing the shift of power as well as the pressure of the advanced expectations from customers. According to a recent survey, the tourism industry has been nominated as the leading business sector in regards to Social Media implementation in Denmark. Up to 75 percent of business in the Danish tourism sector has implemented social media to some extent; however, only 27 percent of these business characterizes this implementation as coordinated and strategic. The rest of the business characterizes their implementation and usage of social media as random and non-strategic (www.horesta.dk). In spite of their leading role, the non-strategic approach clearly illustrates an insecurity and lack of understanding of the concept of Social Media in the hotel industry.
In spite of the clear insecurity of social media acceptance and usage, most companies are aware of the benefits and opportunities of Social Media and have some level of interest in implementing it in their Customer Relations Management in order to learn more about their customers. The interesting (and challenging) aspect of Social Media is that it is relatively involuntary; whether or not a company chooses to represent itself on a Social Media site, it may exist in the virtual world of Social Media anyway. Companies may choose to embrace or ignore the social revolution, but there is no doubt that it is here to stay – whether they like it or not!

1. MOTIVATION & PURPOSE OF THE THESIS

Through several years of experience in the hotel industry, it has become clear to the author that even though customer relations is the very core of business in the hotel industry, the lack of consistency and guidelines often results in unsuccessful customer relations projects. The recent introduction of Social Media seems to have added further frustration as the obvious benefits and opportunities of the social technological revolution seems harder to obtain than originally presumed by hotel managements. It is thus the assumption of the author that Social Media is relatively unutilized and the personal motivation for the problem field of this thesis is to assist hotel managements in the pursuit of successful implementation of Social Media in Customer Relations Management.

Apart from the personal motivation above, the second purpose of this thesis is to contribute to the academic literature of the social aspect of Customer Relations Management. This way the author will function, not only as an academic researcher, but also as a management consultant to the Danish hotel industry. Academic research and management consultancy have many similarities and together they comprise a unity; according to Gummesson (2000) the consultant contributes to practice, while the researcher contributes to theory supported by practice (p. 9). The purpose of the thesis is hereby to create a new conceptual framework by implementing the social aspect in customer relations (Torraco 2005, p. 358).

1.2. PROBLEM STATEMENT & RESEARCH QUESTIONS

Based on the preliminary field research of the recent social revolution as well as a review of the existing literature on traditional CRM, the following problem statement and research questions was developed.

It is a fundamental assumption of this thesis, that it is the relations between companies and customers
which create both the opportunities and challenges of Social Media, which has lead to the combination of Social Media and Customer Relations Management as a problem field of this thesis. Thus, this thesis pursues to answer the following problem statement, including three research questions:

“How can Danish hotels integrate Social Media in order to improve their customer relations?”

In order to support the above problem statement, three research questions have been developed:

➢ To what extent has the hotels in Copenhagen adopted Social Media as part of their Customer Relations Management strategies?
➢ What are the opportunities and challenges of implementing Social Media in a hotels’ Customer Relations Management strategy?
➢ How does hotel management successfully implement Social Media in a Customer Relations Management strategy?

1.3. DEFINITIONS

As there are many different perspectives on Customer Relations Management and due to the recent introduction of Social Media, it was decided to include definitions of the two topics in the introduction of this thesis, in order to clarify any possible issues or misinterpretations of the topics before moving on to the methodological considerations of this thesis. The topics of Customer Relations Management and Social Media will be explained and defined below.

1.3.1. CUSTOMER RELATIONS MANAGEMENT

Customer relations management, referred to as CRM in this thesis, can be broken into three functional areas, which comprise the life cycle of a customer relationship: Marketing, Sales and Service and Support. Information technology (IT) is another crucial component in maintaining these three functional areas as well as the CRM process in general (Ngai 2005, p. 584), as shown in figure 1 below. The following is a brief description of these components, followed by the definition of CRM that is found suitable for this thesis.
With CRM as the core of the circle, marketing is the function with the closest relation to the core, making marketing and CRM inseparable. The evolution of CRM can be described as the end of the marketing-circle that goes from direct sales to mass marketing, target marketing and then customer relationship marketing, thus making CRM a direct product of marketing (Ngai 2005, p. 585).

Although CRM is widely accepted as an important business approach, there is no universally accepted definition of CRM (Ngai, Xiu and Chau 2009, p. 2592). Kincaid (2003) defines CRM as “the strategic use of information, processes, technology, and people to manage the customer’s relationship with your company across the whole customer life cycle” (Ngai et al. 2009, p. 2592). Parvatiyar and Seth (2001) define CRM as “a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer”. Common for all CRM definitions is the emphasis on the importance of viewing CRM as a comprehensive process of acquiring and retaining customers, with the help of business intelligence (Ngai et al. 2009, p. 2592). Out of the many different definitions of CRM, the definition by Swift (2001) was found most suitable for this thesis, in accordance with the inductive, hermeneutic perspective. This definition is not considered superior to other definitions, but has been chosen due to its simplicity and the inclusion of the term customer loyalty, which is found to be a key element in the hotel industry. Swift (2001) defines CRM as an “enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability” (p. 12). This is the definition that will be referred to, when describing CRM in this thesis.
1.3.2. SOCIAL MEDIA

Social Media is not able to stand alone as a concept. In order to fully understand the concept of Social Media and provide a comprehensive definition, it requires drawing a line to two closely related concepts; Web 2.0 and User Generated Content (UGC). Web 2.0 is a term used to describe a new way in which software developers started to utilize the web; as a platform whereby content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a collaborative fashion (Kaplan & Haenlein 2010, p. 61). Kaplan & haenlein (2010) argue that Web 2.0 is the platform for the evolution of Social Media (p. 61). While Web 2.0 represents the ideological and technological foundation, UGC can be seen as the sum of all ways in which people make use of Social Media. The term is usually applied to describe various forms of media content that are publicly available and user-created (Kaplan & Haenlein 2010, p. 61). The Organisation for Economic Cooperation and Development (OECD) has developed three requirements that must be fulfilled in order for information to be considered user-generated; first, it needs to be published either on a publicly accessible website or on a social networking site; second, it needs to show a certain amount of creative effort and finally, it needs to have been created outside of professional routines and practices (Kaplan & Haenlein 2010, p. 61). Based on the clarifications of Web 2.0 and UGC, Kaplan & Haenlein (2010) defines 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 (p. 61). Another, more simplified, definition of Social Media is any kind of platform used to build online communities, where users from various parts of the globe can come across and connect with each other (Dwivedi, Shibu, Umashankar & Ventakesh 2007, p. 416). Both definitions are suitable for this thesis, however, for the sake of simplicity and understanding, the two definitions have been merged into one; thus Social Media can be defined as an internet platform used to build online communities, based on the ideological and technical foundations of Web 2.0 and the exchange of User Generated Content. This is the definition that will be referred to in this thesis.
2. METHODOLOGY

With the introduction and definition of the topics in place, this section will present the methodological considerations behind this thesis as well as the scientific paradigm on which the thesis relies on. It includes a description of the research design, including the authors’ considerations and choices on type of research design, thesis purpose, data collection and reasoning approach. It also includes the choice of theory and the methodological considerations behind this choice. Finally, this chapter will present the structure of the thesis. The methodological considerations described in this chapter apply to the thesis in general while the specific methodological considerations in regards to the empirical research and analysis will be elaborated on in the analysis chapter.

2.1. SCIENTIFIC PARADIGM

In social sciences we distinguish between two main paradigms, each representing a school of philosophy; the positivistic and the hermeneutic paradigm. The positivistic paradigm represents traditional, natural science, whereas the hermeneutic paradigm represents the humanistic school of philosophy (Gummesson 2000, p. 19). The choice and awareness of a scientific paradigm is fundamental for the quality of the research conducted in this thesis, as it can be considered the platform for how research is conducted. While research based on a positivistic platform relies on quantitative data, hermeneutic research uses a qualitative approach based on personal interpretation of the empirical findings. Another approach to qualitative research is phenomenology, where the author is committed to understanding a phenomena from his or hers personal perspective (Gummesson 2000, p. 174). The difference between a hermeneutic and phenomenological approach can be described by phenomenology being oriented toward an immediate phenomenon, such as thinking and feeling, while hermeneutics is more context oriented (Gummesson 2000, p. 174). In other words, a phenomenological approach tries to understand the data, while hermeneutics goes one step further to interpret the data (Gummesson 2000, p. 175).

The research of this thesis is based on a qualitative mindset and the empirical findings of the research are based on an interpretation of the context. This interpretation is highly influenced by the personality and feelings of the author throughout the research. Based on the qualitative and interpretational mindset, this thesis uses the hermeneutic paradigm as a research platform. The choice of paradigm will influence the methodological choices described in the following.
2.2. RESEARCH DESIGN

A research design is the plan of actions which links the philosophical foundations and the methodological assumptions of a research approach to its research methods in order to provide credible, accountable and legitimate answers to the research questions (Gelo, Braakmann & Benetka 2008, p. 272).

2.2.1. A CASE STUDY DESIGN

The analysis of this thesis is based on two types of empirical research; interviews and online observations. Interviews are made with four hotel managers. The online observations are based on a comprehensive observational review of the Social Media activity in the hotel industry. These observations are based on the top 50 hotels of Copenhagen on TripAdvisor. The findings of the interviews are related to the findings of the online activity of their hotels; however, they are not constructed as individual cases. The purpose of the interviews is to support the findings of the online observations rather than function as direct elements of comparison.

Even though this thesis is not based on individual company cases, the research design can be categorized as a case study. A case study is a dynamic research design, referring to primary and secondary data from different periods of time. The reason for constructing the thesis as a case study is the nature of the case study which involves an investigation of a phenomenon in a real-life context (Andersen 2008, p. 117) as well as the point of generating theory as a means for initiating change (Gummesson 2000, p. 85). The data collection for the analysis is partly based on an online survey. The nature of a survey is normally considered as relative quantitative, static information, which does not correspond to the dynamic nature of thesis. However, qualitative value was added to the data through the hermeneutic interpretation.

An alternative to the construction as a case study could have been to construct it as a survey study. However, as this the purpose of this thesis is to investigate the phenomenon of social CRM from an organizational perspective, it was assumed that the number of participants available for the survey would not have been sufficient. It was therefore decided to construct the investigation as a case study while combining the research techniques of interviews and online observations, in order for these techniques to supplement each other and validate the results. The same result may have been obtained
through a survey based questionnaire aimed at hotel managers, but as mentioned above, it was assumed that not enough participants would have been available or willing to participate.

As part of the research design of this thesis, hypotheses will be presented based on the reviewed literature as well as the theoretical framework. A total of four hypotheses will be established in order to select and illustrate relevant hypotheses of the literature and theory. The hypotheses are used to support the problem statement and research questions and will be either confirmed or rejected in the discussion of the analysis.

2.2.2. THESIS PURPOSE

As described in the introduction, the dual purpose of this thesis is to expand the academic literature as well as for the author to function as a management consultant. Through a comprehensive review of the existing literature it was found that only relatively little literature exists on CRM from a social perspective, thus making social CRM a relatively unknown phenomenon. The general purpose of the thesis is thus to explore the phenomenon of a relatively unknown subject (Andersen 2008, p. 22). Based on this purpose, the purpose can be categorized as explorative, explanatory and normative.

The explorative research is represented by the comprehensive literature review of social CRM which explores and identifies the issues within the topics of Social Media and CRM. The explanatory research of the thesis then has the purpose of identifying the reasons for the issues as well as generalizing the consequences of the findings. This type of research is presented in the analysis where the reasons for the issues identified in the literature review are investigated. The normative research then takes it one step further by making suggestions of how to solve the issues identified (Andersen 2008, p. 23) which is represented in the discussions of the analysis. By integrating these three research purposes, the research of the thesis should correspond to the overall purposes of expanding the academic literature as well as making relevant recommendations to companies (hotel management), based on the performed research.

2.2.3. DATA COLLECTION

There are many ways to differentiate and categorize data collection. As described above, this thesis uses primarily qualitative data. In some cases quantitative data is used by adding qualitative value to the data
through interpretation. Apart from the qualitative and quantitative differentiation, data can be categorized as primary or secondary data. The primary data is data collected by the author while secondary data is collected by other people or organizations. The methodological considerations on data collection will be described below.

The secondary data collected for this thesis can primarily be categorized as scientific data and process data. Scientific data is data already collected by other scientists in the shape of different types of literature, such as books, academic research papers, articles, etc. while process data is characterized as continuous registered data which is available from different types of media archives (Andersen 2008, p. 160). Due to the relevance of this thesis, the archives of Visit Denmark and HORESTA have been of great assistance. Visit Denmark offers a wide range of reports and analyses on tourism in Denmark. HORESTA is the business organization for hotels and restaurants in Denmark and publishes relevant news and reports on current issues in the hotel industry. Both Visit Denmark and HORESTA are considered highly reliable sources of information and the research made through the archives of both organizations have been very inspirational. However; even though the organizations are found reliable in regards to statistical reports, etc., it must be noted that as business organizations, the risk of bias is very high. The information retrieved from these organizations is therefore used only for inspiration or statistical matters. The secondary data is primarily represented in the literature review, whereas the primary data, collected by the author, is represented in the analysis.

The primary data collection techniques can be divided into stimulant and non-stimulant techniques. This thesis uses both stimulant and non-stimulant techniques. The stimulant techniques are used in the qualitative interviews while the non-stimulant techniques can be defined as observation techniques, where a phenomenon is observed by the researcher, either directly or indirectly (Andersen 2008, p. 155) as in seen in the online observations. The stimulant techniques, are used mostly in the collection of primary data, whereas the non-stimulant techniques are used both in the primary and secondary data collection. Further methodological considerations on interview and observation techniques are described in the analysis chapter.

The reliability of the data collected for the literature review and the theoretical framework has been based on the selection of literature through relevant databases where access was offered through CBS. The validity of the literature selection was verified through the internal references between authors in their papers, thus creating an understanding of the leading authors within the different topics of Social Media and Customer Relations Management. The reliability and validity of the analysis will also be elaborated on in the analysis chapter.
2.2.4. REASONING APPROACH

With the hermeneutic paradigm as the guiding star of this thesis, it is only natural that reasoning approach is primarily inductive. Induction is one of two ways of reaching scientific conclusions; the other one being deductive. A deductive reasoning approach is based on proof and evidence with the purpose of testing existing literature. An inductive approach, on the other hand, is based on discovery and is used in explorative research, where relatively little information is used to generalize and create new knowledge (Andersen 2008, p. 35 and Gummesson 2000, p. 64) as in the case of this thesis. While the reasoning approach of this thesis is primarily inductive, it is impossible to totally exclude deductive research and the two approaches will occasionally emerge.

2.2.5. CHOICE OF THEORY

The choice of theory for this thesis is based on the acceptance of technology. The Technology Acceptance Model (TAM) developed by Davis in 1989 is used to investigate the different factors which influence the acceptance of a new technology, which is in this case is Social Media. This model was chosen due to its validity through many years of revalidation by other authors as well as its relevance in regards to the problem statement of this thesis. The model is based on the two elements of user acceptance of technology recognized as Perceived Usefulness and Perceived Ease of Use. As the model dates back to 1989, it was decided to adopt a contemporary addition of the model. The modification of the TAM made by Askool & Nakata (2010) was chosen, as the added determiners were found highly appropriate for this thesis investigation. Askool & Nakata adds the five determiners of Web 2.0, Familiarity, Care, Information sharing and Trust to the model, thus allowing for a contemporary analysis of the acceptance of Social Media. The analysis of the data is based and structured by these five determiners. The collected data from the interviews and online observations will be analyzed according to these determiners in order to conclude on their influence on the Perceived Usefulness and Perceived Ease of Use of Social Media. The choice of the TAM as the theoretical framework was made in correlation with the hermeneutic paradigm of this thesis, including the qualitative mindset and inductive approach as the model allows for interpretation and discovery. Further methodological considerations, including reliability and critique of the theory will be explained in the theoretical framework.
2.3. DELIMITATIONS OF THE THESIS

The above methodological choices defined the approach and purpose of this thesis. These methodological choices made naturally result in some delimitation of the empirical research, which will be presented in this section.

As described above, the interviews conducted include four respondents. Even though the purpose of the study is to generalize based on the findings of the empirical research, it must be recognized that four respondents are not eligible for this type of generalization. In order to still use the empirical research of the interviews for a generalization to some extent, the findings of the online observations are added to the empirical data, thus creating a more solid foundation for generalization.

As stated in the problem statement, the target of the study is the Danish hotel industry. The actual empirical research does, however, only include interview respondents from hotels in Copenhagen. The online observations are also based on the top 50 hotels ranked on TripAdvisor in Copenhagen. The actual empirical research is thus based on hotels in Copenhagen. While recognizing this geographical limitation, the conclusions of the study should still be relevant for hotels all over Denmark. Other than the geographical limitation of the study, it must also be noted that the factors of gender and age are not included in the analysis. This choice was made due to the relatively small amount of respondents.

As described above, the problem field of this thesis is based on the relations between companies and their customers and the social aspect of Customer Relations. While choosing this focus of the thesis, it also eliminates the investigation of other aspects of Customer Relations Management, such as the marketing or sales perspective, while still acknowledging the coherence and dependence of these functions in a comprehensive business strategy. This thesis will therefore not include sales or marketing oriented analysis.

Further, it must be noted that the hotels included in the analysis are all considered individual hotels in regards to Social Media activity, regardless of their relations to hotel chains or franchises. This also applies to the star ratings of the hotels, which is not accounted for. Star rating in Denmark is provided only to members of organization of Horesta. As this does not include all the hotels, it was decided not to include this aspect in the analysis as it may have resulted in incomparable findings.

Finally, it must be emphasized that the thesis is written in a Danish context. While focusing one country rather than an international context, cultural aspects may affect the conclusions; however, cultural considerations are not included in this thesis.
2.4. THESIS STRUCTURE

Initially, this thesis has introduced the topics of Social Media and Customer Relations Management as well as the foundational methodological considerations behind the thesis. Secondly, a literature review will be conducted and presented followed by the theoretical framework for the analysis. Based on findings of the literature review and the theoretical framework, four hypotheses will be established in order to support the problem statement and research questions. A qualitative analysis will then be performed, based on the findings of the qualitative interviews and online observations. These findings will be discussed and the established hypotheses will be confirmed or rejected. Finally, the last chapter will conclude on the analysis and make suggestions for further research. The structure of the thesis is illustrated in figure 2 to the right.
3. LITERATURE REVIEW

As the initial part of the research for this thesis, the following chapter presents an integrative literature review of the topics of Customer Relations Management (CRM) and Social Media. The topics have been defined in the introduction and will now be elaborated on.

In order to fully comprehend the concept of Social Customer Relations Management, it is crucial to understand the traditional strategies and underlying ideas of both Customer Relations Management and Social Media. The purpose of the review is to generate knowledge about the topics by critically reviewing each topic respectively and integrating them as one; Social Customer Relations Management. Apart, each topic is relatively mature, while integrated, Social Customer Relation Management is a relatively new and emerging topic. Because the topic of social CRM is relatively new and has not yet undergone a comprehensive literature review, this review leads to a preliminary conceptualization, including a new framework and models, thus taking the first step towards the creation a new conceptual framework for social CRM as described in the introduction. Due to the limited amount of space as well as the purpose of the research, the review is based on selected literature relevant to the research questions.

3.1. CUSTOMER RELATIONS MANAGEMENT

“If you’re my customer and I get you to talk to me, and I remember what you tell me, then I get smarter and smarter about you. I know something about you my competitors don’t know. So I can do things for you my competitors can’t do, because they don’t know you as well as I do. Before long, you can get something from me you can’t get anywhere else, for any price. At the very least, you’d have to start all over somewhere else, but starting over is more costly than staying with me, so long as you like me and trust me to look out for your best interests.”

(Peppers & Rogers 2011)

Any business, regardless of size and type of organization, has a natural interest in adopting CRM to manage the relationship with their customers more efficiently, as an enhanced relationship with customers can lead to greater customer loyalty and profitability (Ngai 2005:582). The history of customer relations goes all the way back to the pre-industrial era. It started with the direct interaction between producers of agricultural products and their consumers. Craftsmen often developed customized products for their customers, which led to a relational bonding between them. Then the concept of mass production was introduced and the interaction between producers and consumers
became less frequent, leading to more transaction oriented marketing, which focused mostly on the economic aspects of business (Parvatiyar & Sheth 2001, p. 6). In recent years, several factors have contributed to the rapid development and evolution of CRM. Due to the advances of computer and telecommunication technologies, producers are once again able to interact directly with their customer (Parvatiyar & Sheth 2001) and CRM has once again become an integrated part of business communication and marketing as we know it today. The interest of CRM began to grow significantly in the 1990’s, as the internet and technology increased the opportunities for marketing and has transformed the way relationships between companies and their customers are managed (Ngai 2005:582). Businesses have practiced some form of customer relationship management for a long time, but the concept of CRM as we know it today is due to the increased potential of utilizing technology and manage relationships with potentially huge numbers of customers in a market (Payne & Frow 2006, p. 136).

3.1.1. RELATIONSHIP MARKETING

When researching CRM, it is important to distinguish between Relationship Marketing (RM) and Customer Relations Management (CRM). As described previously, CRM and marketing are inseparable and the evolution of CRM can be described as the end of the marketing life-cycle. The concept of RM was introduced in the 1920s while CRM has been brought to the attention of both academics and practitioners in the late 1990s as the logical result of RM. The “new” concept of CRM directed the attention towards various vital aspects, including the necessity of direct and long lasting relationships between the customers and marketers (Soliman 2011, p. 166). Some scholars uses the term CRM as a synonym for RM, while others applies the term CRM to the usage of information technology in implementing relationship marketing strategies (Wilson, Daniel & MacDonald 2002, p. 194). Parvatiyar & Sheth (2001) have developed a foundation of the domain of CRM as well as a framework for understanding the various aspects of CRM strategy and implementation. This framework has been based on literature on Relationship Marketing, as Parvatiyar & Sheth (2001) argues that CRM and RM are not distinguished from each other in the marketing literature (p. 3). As this thesis is not a direct marketing study, the literature on CRM is found to distinguish CRM from RM, however, still acknowledging the direct link to the field of marketing.
3.1.2. THE MEANING OF RELATIONSHIP

In order to understand the essence of CRM, the meaning of the concept *relationship* has to be discussed. The term *relationship* comes from the Latin *relation* + *onis* which means bringing back, also with the meaning of repetition and reference. *Relation* has the meaning of dependence between two things, friendship, intimacy and political, commercial and cultural interests. By analyzing these different meanings of the term, it can be concluded that *relationship* implies commitment, duties, mutual understanding and goals (Pedron & Saccol 2009, p. 40).

The Merriam-Webster dictionary defines relationship as “*A state of affairs existing between those having relations or dealings*” (Peppers & Rogers 2011, p. 39). While dictionary definitions are a good starting point, it is important to create a definition which is relevant to the case of relationships between customers and companies. Peppers & Rogers (2011) lists some of the important qualities that characterize a relationship between companies and customers, as illustrated in figure 3 below.

![Characteristics of a Genuine Business Relationship - Peppers & Rogers (2011)](image)

First of all, a relationship implies *mutuality*. In order for it to be considered a relationship, both parties have to participate and be aware of the existence of the relationship. Secondly, relationships are driven by *interaction*. The exchange of information between two parties is the central engine for building on the relationship. The third characteristic of a relationship is the *iterative* nature; a context created through interactions. This context gives a relationship’s future interactions greater and greater efficiency, because every successive interaction represents an iteration on all the previous ones that have gone before it. An example of the iterative characteristic is when a website remembers your preferences and previous interactions. The fourth characteristic of a relationship, as defined by Peppers & Rogers (2011) is that it is driven by an *ongoing benefit* for both parties. Participating in a relationship requires a cost of money, time or effort and no customer (or company) will continue the relationship unless they can benefit from it. Relationships also require a *change in behavior* on the part of both parties in order to continue. The interactions must not be based on routines and repeated actions, but must be tailored to
reflect the customers own input. Another characteristic is the *uniqueness* of a relationship; every relationship is different and unique and a company that seeks to engage its customers must be prepared to participate in different interactions with different behaviors toward different customers. Finally, the ultimate characteristic and requirement of a successful relationship is *trust*. Trust is fundamental to the development of a relationship, as a customer must trust a company to act in the interest of the customer (Peppers & Rogers 2011).

3.1.3. CRM APPROACHES & PROCESSES

The introduction to this thesis includes the definition of CRM that is referred to throughout this literature review and thesis in general. The definition is the one found to cover the concept of CRM mostly as a whole. However, according to a discussion conducted by Pedron & Saccol (2009) on “what lies behind the concept of Customer Relationship Management”, they conclude that a definition of CRM can be split into three different **CRM approaches**: CRM as a philosophy; CRM as a strategy and CRM as a tool (p. 38). Each approach is illustrated in table 1 below:

<table>
<thead>
<tr>
<th>TABLE 1: DEFINITIONS OF CRM APPROACHES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CRM as a philosophy</strong> of doing business has to be considered above any kind of strategy or tool. A CRM philosophy is related to a customer-oriented culture keen on building and cultivating long-term relationships with customer.</td>
</tr>
<tr>
<td><strong>CRM as a strategy</strong> is an organizational strategy that will drive functional plans and actions toward building relationships with customers.</td>
</tr>
<tr>
<td><strong>CRM as a tool</strong> is focused on the role of IT being used to gather, analyze and apply data to build and manage relationships with customers.</td>
</tr>
</tbody>
</table>

Depending on the approach, the definition of CRM may differ. This literature review will not define CRM differently than in the introduction of this thesis, however, it is important to acknowledge the different meanings of CRM, depending on the chosen approach. CRM may be considered a (technological) tool, such as an information system or a group of tools such as databases and web systems. The business logic of using CRM as a tool is often the idea of saving money by reducing the costs of interacting with customers. Nevertheless, several authors agree that without a CRM philosophy or strategy, the application of CRM tools is meaningless or incomplete (Pedron & Saccol 2009, Swift
While a CRM strategy is a functional plan of processes, structures and technology, a CRM philosophy goes beyond both strategies and tools. It involves a deep understanding of what relationship means and of all implications related to establishing a relationship (Pedron & Saccol 2009, p. 39). Thus, the CRM philosophy is supposed to guide the organizational and functional strategies, while the strategies guide the process of CRM tools, as illustrated in the figure below:

![CRM Approaches - Pedron & Saccol (2009)](image)

Many consulting firms as well as academics has pointed out many factors that should guarantee successful CRM implementation, however, very few of them attempt to discuss the essence of CRM. According to Pedron & Saccol (2009), the lack of understanding of the essence of CRM is the reason for this high percentage of failure of CRM projects. Pedron & Saccol (2009) question the essence of CRM as well as the very concept of relationship, arguing that by understanding the true meaning and implication of managing relationships with customers, CRM projects are more likely to succeed. A very common mistake among business trying to implement CRM is the viewing of CRM as a technological tool, while it should be considered as a strategic or even philosophical matter that stretches far beyond the IT arena (Pedron & Saccol 2009). This ideology is supported by Payne & Frow (2006), who agrees that even though the advances in IT can assist with the development of improved customer relationships, it does not mean that benefits will automatically be achieved by purchasing CRM software solutions (p. 136). To avoid making this mistake and reducing the risk of a CRM project to fail, a CRM approach should be chosen, as described above. By choosing one of these approaches, it allows a reflective and critical view that will help evaluating the objectives and expected outcomes of CRM projects (Pedron & Saccol 2009, p. 36). Payne & Frow (2006) suggest a model for CRM strategy and implementation, as shown below:
As illustrated in the model above, Payne & Frow (2006) emphasize the cross-functional nature of CRM. The model has two main components: Key CRM implementation elements and core cross-functional CRM processes. The model is recursive rather than linear, as many of its activities need to be managed concurrently (p. 144). It consists of four critical elements for successful CRM implementation; CRM readiness assessment; CRM change management; CRM project management; and employee management. These four elements were then integrated with the five core CRM processes, developed previously by Payne & Frow (2006). These processes and elements are closely related and together they form a CRM implementation logic, as illustrated above. The following is a brief outline of the different components of the model; the five core processes and the four key elements, based on Payne & Frow (2006) pages 144-158.

The first process is the **Strategy Development Process** which defines overall objectives and parameters for the organizations’ CRM activities. This process has a dual focus on the organisations’ business strategy and its customer strategy. The next process is the **Value Creation Process**, which involves taking the outputs of the strategy development process and building a programme that extracts and delivers value. Value should be identified both as the value the customer receives from the company and the value the company receives from the customer, making value creation an interactive process between the two. The third process is the **Multi-Channel Integration Process**; the process that will ensure a superior customer experience within and across all the channels in which the company interacts with its customers. This process involves making decisions about the best
combination of channels and how to ensure positive experiences for customers within these channels. The next process is the **Information Management Process**; the process that can be thought of as the engine that drives the CRM activities. This process also consists of several elements that work closely together; including data storage, IT systems and analytical tools. The final process suggested by Payne & Frow (2006) is the **Performance Assessment Process**. This process ensures that the company’s strategic CRM objectives are being delivered to an appropriate standard. This process focuses on shareholder results and performance monitoring.

The above processes are to ensure a successful implementation of a CRM project. As pointed out by Boulding, Staelin, Ehret & Johnston (2005), data processing and technology systems are critical for CRM implementation, but without appropriate human interaction with these systems, the returns to investments in these areas are at risk (p. 23). Based on this ideology, Payne & Frow (2006) developed the four key elements that must be integrated in the above processes. The first key element is the **CRM Readiness Assessment**; this assessment can help managers assess their readiness for CRM implementation. According to Payne & Frow, experienced CRM managers tend to know the level of CRM maturity for their company, while a large number of companies lacks knowledge of their CRM progression. The second key element is the **CRM Change Management**. This element is important as companies undergo substantial organizational and cultural change when implementing CRM and must therefore be open for and prepare for change. The third key element is the **CRM Project Management**; an element of high importance as the size and complexity of CRM projects has increased. Payne & Frow (2006) identifies two different types of CRM projects; one where a team of specialists is brought together on a temporary basis and one where a cross-functional team is assembled as an ongoing project. The final key element is **Employee Management**. This element represents the engagement of employees to support the CRM initiative as the employees play a crucial role in the implementation.

The above framework for implementation of traditional CRM was found to be one the few methods that corresponded to the hermeneutic paradigm of this thesis on all levels and has therefore undergone the comprehensive review above. The framework which was presented in the article by Payne & Frow (2006) seemed progressive towards the understanding of the essence of CRM, which has been pointed out, by many authors, as the main reason for the high percentage of failed CRM projects.
3.2. SOCIAL MEDIA

In the introduction, Social Media was defined as *an internet platform used to build online communities, based on the ideological and technical foundations of Web 2.0 and the exchange of User Generated Content*. As initially explained, an understanding of Social Media requires drawing a line to the concepts of Web 2.0 and User Generated Content. As defined by Kaplan & Haenlein (2010), Web 2.0 represents the ideological and technological foundation while UGC can be seen as the sum of all ways in which people make use of Social Media. The key characteristic of Web 2.0 is that it lets people collaborate and share information online while UGC offers support to consumers in the decision-making process of a purchase. UGC sites have become increasingly important due to this support to the consumers and a recent survey found that over 60% of respondents checked online reviews, blogs and other customer feedback before purchasing a new product or service; over 80% of those who consulted such material said that it had at least some influence on their purchase decision (O’Connor 2010, p. 758). The elements of social media consist of collaborative projects, blogs, content communities, social networking sites, virtual game worlds and virtual social worlds. These elements will be elaborated on following the below overview of social media history.

The history of Social Media goes back to 1997, where the first recognizable social network site was launched. The site was called SixDegrees and allowed users to create profiles, list their friends and surf their friends lists. Each of these features existed in some form on other sites before SixDegrees, but SixDegrees was the first site to combine these features and is therefore considered the first social network site (Boyd & Ellison 2008, p. 214). The history of Social Media sites is illustrated in figure 6 to the right (Boyd & Ellison 2008). In spite of the fact that SixDegrees attracted millions of users, the site failed to become a sustainable business and closed in 2000. Today, the failure of the network site is considered, by many, to be due to the fact that it was ahead of its time. Following SixDegrees, a number of communities began pursuing the idea of online profiles, including personal professional and dating profiles. Some of the sites, such as AsianAvenue, BlackPlanet and Migente, allowed users to identify friends on their personal profiles without...
seeking approval for those connections (Boyd & Ellison 2008, p-214). Shortly after, the site LiveJournal introduced instant messaging between users. The next wave of social network sites began in 2001 with Ryze.com; a site launched to help people leverage their business networks. Following this trend was other professional networks, such as LinkedIn and Friendster. The founders of these sites believed that they could support each other without competing; however, today LinkedIn and Friendster are considered much more powerful network sites than Ryze.com (Boyd & Ellison 2008, p-215). From 2003 onward, many new network sites were launched, all with their own individual reason for people to connect online. In 2004, Facebook was launched, designed as a Harvard-only network site. In 2005, Facebook had expanded to include high school students, corporate networks and, eventually, everyone. Currently, there are no reliable data regarding how many people use social network sites, although research indicates that social network sites are growing in popularity worldwide (Boyd & Ellison 2008, p-219). Today, there are hundreds of social network sites, supporting a wide range of interests and practices and millions of users have integrated these sites into their daily lives and practices.

3.2.1. TYPES OF SOCIAL MEDIA

According to Kaplan & Haenlein (2010), Web 2.0 can be classified into six different types of Social Media. Each type of Social Media has its own challenges and opportunities as well as their own classification in regards to social presence/media richness and self-presentation/self-disclosure. The six types of SM are presented below, based on Kaplan & Haenlein (2010) p. 62-65. Even though this thesis is only concerned with a relatively small part of Social Media, it was found relevant to include the following classification of the types of Social Media in order to underline the width of Social Media. Without this classification, some may not define Wikipedia or Youtube as types of Social Media. Therefore, the following classification of Social Media is presented.

Collaborative Projects

Collaborative projects enable the simultaneous creations of content by many users and are probably the most democratic manifestation of UGC. Collaborative projects include wikis and social bookmarking applications. Wikis are websites that allow users to add, remove and change text-based content while bookmarking applications enable group-based rating of Internet and media content. The best example of a collaborative project is the online encyclopedia, Wikipedia.
Blogs

The blog represents the earliest form of Social Media. A blog is a special type of website that usually display date-stamped, chronological entries. A blog can be described as the equivalent of a personal webpage, where the author keeps a personal (public) diary or other comments or summaries relating to one specific topic. Blogs are usually managed by one person only, but provide the possibility of interaction with others through comments.

Content Communities

Content communities have the main objective to share media content between users. The best examples of content communities are Flickr and Youtube. The users on these pages are not required to create a personal profile page and in case they do, it contains only basic information.

Social Networking Sites

Social networking sites are applications that enable users to connect by creating personal profiles and inviting friends and colleagues to have access to those profiles. The profiles can include all types of information, including photos, videos and blogs. Today, Facebook is the largest social networking site worldwide. Like content communities, social networking site are of such high popularity, that the term Facebook-addict has been included in the Urban Dictionary.

Virtual Game Worlds

Virtual game worlds are platforms that replicate a three-dimensional environment in which users can appear in the form of personalized avatars and interact with each other as they would in real life. In this sense, virtual worlds are the ultimate manifestation of Social Media, as they provide the highest level of social presence and media richness of all Social Media applications. Social presence and media richness will be explained in section 3.2.8.
Virtual Social Worlds

The second type of virtual worlds is the virtual social world. This virtual world allows its users to choose their behavior more freely and essentially live a virtual life similar to their real life. As in virtual game worlds, virtual social world users appear in the form of avatars and interact in a three-dimensional virtual environment. However, in this world, there are no rules restricting the range of possible interactions, except for basic physical laws such as gravity. The most prominent example of a virtual social world is the Second Life application.

3.2.2. SOCIAL MEDIA CLASSIFICATION

Kaplan & Haenlein (2010) have developed a classification scheme, in which all of the above types of Social Media can be categorized. The scheme is based on the two, according to Kaplan and Haenlein (2010), most important elements of social media; the social presence (/media richness) and social processes (self-presentation/self-disclosure).

<table>
<thead>
<tr>
<th>Self-presentation/ Self-disclosure</th>
<th>Social presence/ Media richness</th>
<th>High</th>
<th>Low</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Blogs</td>
<td>Social networking sites (e.g., Facebook)</td>
<td>Virtual social worlds (e.g., Second Life)</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Collaborative projects (e.g., Wikipedia)</td>
<td>Content communities (e.g., YouTube)</td>
<td>Virtual game worlds (e.g., World of Warcraft)</td>
<td></td>
</tr>
</tbody>
</table>

Figure 7: Social Media Classification Scheme - Kaplan & Haenlein (2010)

The social presence is influenced by the intimacy and immediacy of the medium. The higher the social presence, the larger the social influence the communication partners have on each other’s behavior. As a Social Media application, virtual social world have the highest amount of social presence, while blogs have very low social presence. In regards to self-presentation and self-disclosure, the theory states that in any type of social interaction, people have the desire to control the impression other people form of them (Kaplan & Haenlein 2010). The key reason why people decide to create a personal webpage is the wish to present themselves in cyberspace. Usually, such a presentation is done through self-disclosure; that is the conscious or unconscious revelation of personal information that is consistent with the image one would like to give. Self-disclosure is a critical step in the development of close relationships,
but can also occur between strangers. In regards to social presence and media richness, collaborative projects and blogs have the lowest score, as they are often text-based and only allow for a relative simple exchange. Meanwhile, content communities and social networking sites have a medium level of media richness and social presence, as it enables the sharing of videos, pictures and other types of media. Finally, Virtual worlds have the highest scores of media richness. In regards to self-presentation and self-disclosure, blogs usually score higher than collaborative projects, as they tend to be focused on specific domains. Social networking allow for more to self-disclosure than content communities. Finally, virtual social worlds require a higher level of self-disclosure than the virtual game worlds, as the game worlds are rules by strict guidelines that force users to behave in a certain way (Kaplan & Haenlein 2010).

3.2.3. UNDERSTANDING THE GROUNDSWELL

As described in the introduction to this thesis, there seems to be a consistent lack of understanding of Social Media. In order to fully comprehend the concept of Social Media, one must first understand where it came from. This thesis has previously mentioned the term Web 2.0, including its many challenges and opportunities. The new technological era can be described and defined in many ways and can also in many ways be terrifying for companies if they do not fully understand it or know how to work with it. A different way of looking at this new technological era is looking at the term “The Groundswell”. The groundswell is defined as “A social trend in which people use technologies to get the things they need from each others, rather than from traditional institutions like corporations” (Li & Bernoff 2008, p. 9). This thesis uses the term Web 2.0, however, the groundswell adds to the understanding of Web 2.0, as the groundswell can be seen as the umbrella of Web 2.0 in the same way that Relationship marketing can be seen as the umbrella of CRM. As argued by Li & Bernoff (2008), groundswell thinking is like any other complex skill – it takes knowledge, experience, and eventually, enlightenment to get there (p. 17). The groundswell can be a huge threat to institutional power; however, the first step to minimize this threat is to listen.

“If you can’t beat them, join them”.

Li & Bernoff (2008)

Even though it is an old cliché, the above statement illustrates the threats and challenges of Social Media as well as the necessity for participation in the dialogue. Once something has been said about a
company on Social Media, it is considered information and the only way to turn the information into dialogue is by taking part in the communication.

The groundswell, including all web 2.0 applications, can be very intimidating for companies. Some companies are non-critical about the groundswell era and dive right into the adaptation of Social Media applications, while others know that they need to get involved but are nervous about moving forward and are experiencing the so-called groundswell approach-avoidance syndrome. This syndrome can be detected in cases where management has a very strong, and in some cases obsessive, interest in the online activity of social networks, blogs, etc. An increasing nervousness and anxiety about answering superiors’ and subordinates’ questions about the company’s online strategy in accordance with Web 2.0 is also a determiner of this syndrome. If experiencing this syndrome, there is a cure. The cure is to realize that you are not alone as well as seeking assistance in how to integrate your company in the groundswell and world of Web 2.0. It is important to notice, that even though you can’t ignore the new technological trends, the level of integration is up to the company, based on the needs and abilities of the company and its customers.

3.2.4. MONITORING SOCIAL MEDIA

“If you are listening, you might not like what you hear”

Woodcock et al (2011)

As in any relationship based on trust and commitment, one must be prepared to listen to the other part. By listening, a company can use the information gathered to shape consumer insights and use these insights to construct relevant business strategies.

According to Li & Bernoff (2008), there are two strategies of how to listen to what is being said about you online. One way is to set up your own private community, a focus group which naturally interacts in a setting where you can listen. The second strategy is to begin brand monitoring. With this strategy one may hire a company to listen to the internet for you. There are many different software tools that support companies in monitoring and analyzing Social Media in accordance with this strategy. Google Alerts is one of the basic versions of a software application designed to monitor a company’s appearances on Social Media sites. However, basic tools, such as Google Alerts do not offer analysis functions. By using Google Alert, or any similar basic application, the company will have to do the
analysis of the thing being said about them selves. However, as illustrated in the figure below, there a numerous software platforms for monitoring and analyzing Social Media.

![Figure 8: Overview of Social Media Monitoring Software - Woodcock et al (2011, p. 57)](image)

These monitoring applications offer companies the ability to aggregate multiple streams of social data and link to a customer record which can then result in virtual mapping or adding the customer record to an existing database (Woodcock et al 2011, p. 57). These monitoring systems use complex keyword combinations to search through forums and blogs, including social networks, blogs, content communities and online media. As the quotation above implies, a company will have to prepare itself for monitoring social media, as the information found may not be what they want to hear. Social Media is often a channel for anger against brands and products from customers or maybe even disgruntled employees (Woodcock et al 2011, p. 57). This anger or negative information about a company may or may not be justified – but it will still exist. Also, as a company gets smarter by listening, it must also prepare for the ways that it will change the organization. Once you begin to listen and act on the information heard, the company will never be the same again (Li & Bernoff 2008, p. 97).

The above history, definition and classification of Social Media, should create an understanding of the underlying ideas of the concept of Social Media as well as the central elements. Social Media can be seen from many different perspectives and used in many different ways, by private individuals as well as companies. As this thesis focuses on the use of Social Media in the Danish hotel industry, the literature review will be extended with the below review of literature on Social Media in the hotel and travel industry.

### 3.2.5. SOCIAL MEDIA IN THE HOTEL INDUSTRY

As previously mentioned, a shift of power has taken place and the customers are now in more control than ever due to the social revolution. This is a threat to any company; however, the hotel industry is
particularly exposed for online critique, as online reviews of hotels is an increasing trend. Consumer review sites encourage the members to review and share their experiences on a wide range of products or services. The idea is to reveal the perception of the average consumer to others interested before they make the purchase/reservation (Dwivedi et al., p. 417). Word-of-mouth communication among consumers have always been widely used as a channel of interpersonal communication that allows consumers to share information and opinions and the advances of technology has now brought the word-of-mouth communication channel into the virtual environment, a phenomenon called electronic word-of-mouth (Jeong & Jeon 2008, p. 122). Such electronic word-of-mouth has shown to be particularly relevant in the travel decision making process. UGC of this type currently available online means that instead of the expensive, glossy, perfectly posed photos included in brochures or advertisements, a customers’ first image of a hotel can now be determined by comments or candid photos posted by prior guests on social network site (O’Connor 2010, p. 760). This is often seen on customer review sites or blogs.

Social software applications, such as blogs and consumer review sites, are changing the way that companies and customers interact and companies must be able to handle this new type of engagement in order to turn it into an opportunity. According to Jeong & Jeon (2008), the hospitality industry is increasingly dependent on this new trend of online word-of-mouth in the shape of consumer generated content. They argue that customers obtain travel-related information from the Internet more often than ever before by collecting data through reviews of hotels, etc. Jeong & Jeon (2008) also argues that the hotel industry is increasingly used, not only as a medium for making reservations but also as a channel of open forums about their experiences (p. 123). Sites such as Tripadvisor.com, Wheretostay.com and Zoomandgo.com are indicative of widespread use of consumer reviews sites used both by customers and managers. The reviews of these sites are believed to be much more valuable and trustworthy than typical survey-based customer responses as they are based on the consumers’ free and voluntary opinions about their experiences (Jeong & Jeon 2008, p. 123). Tripadvisor is the consumer review site that has been positioned as one of the leading global travel information advice websites, based on its database containing independent customers’ evaluations of their experiences with hotels and other travel-related products (Jeong & Jeon 2008, p. 124). Tripadvisor is a Social Media site based on user-generated content. The following section will describe the background for user-generated content in travel planning before elaborating on the consumer review site of Tripadvisor.
3.2.6. USER-GENERATED CONTENT IN TRAVEL PLANNING

Existing research on travel planning has tended to follow the general consumer decision-making model, which proposes five key stages, as illustrated below. When adapted to the hospitality or travel context, the five stages illustrated follow the different stages of travel; the pretrip, during the trip and posttrip process.

![User-Generated Content and Tourist Planning Behavior](image)

It is extremely important for hospitality and tourism organizations to understand how consumers search for and review information at the various stages of their decision-making process (Cox et al. 2009, p. 745), especially given the relatively recent introduction of UGC sites. According to Cox et al. (2009) consumers tend to trust and be more influenced by information created by other users than by more commercial sources such as travel agents or accommodation operators. They also argue that negative user-generated content about a destination, hotel, etc., influences the receiver less than positive content, as it is considered to be less constructive or useful. This is indeed a very important point as it falls in the favor of the hotel or organization rather than the consumer, who in many ways have taken over the control in the relationship between consumers and companies. Thus, by providing consumers with the opportunity to interact with each other through online travel communities, travel providers can enhance and strengthen their relationship with the consumers (Cox et al. 2009, p. 748). In other words, UGC sites are an increasingly important source of information in the travel planning process.
Social Customer Relations Management

An Analysis of Social Media in Customer Relations in the Danish Hotel Industry

One of the most important travel sites based on user-generated content is, according to this thesis, Tripadvisor.

3.2.6.1. Tripadvisor

Tripadvisor is an online review site, enabling travelers to create profiles and write reviews of all types of travel activity, including hotels, restaurants, attractions, etc. Tripadvisor offers links to many of the leading travel agencies, such as Expedia, Hotels.com, Orbitz.com and Booking.com. The linking between these sites is mutual and while browsing on the different sites of the travel agencies, a link to Tripadvisor reviews often appears.

A very important feature of Tripadvisor is the possibility for representatives of hotels, restaurants or attractions to respond to reviews written about their property. Responses from property management get posted directly underneath the relevant review, if the response is within the rules and regulations of Tripadvisor (www.tripadvisor.com). According to a study by O’Connor (2010), less than 0.5% of reviews have management responses attached, which he finds worrying. O’Connor points out that even though UGC and the electronic word-of-mouth cannot be controlled, it can be managed and must not be ignored (p. 768). He argues that hotels should be proactive, continuously engaging in dialogue with the customer. Tripadvisor is hard to categorize within Social Media, as it can be considered part social network, part virtual community and part blog (O’Connor 2010, p. 761).

Despite the various features for hospitality-related reviews, there are controversial issues related to its authenticity and creditability. Controversy often arises when a destination has few accommodation options and extremely opposite reviews about the accommodation. It would then be a tough job for a review website, such as Tripadvisor, to identify fraudulent reviews (Jeong & Jeon 2008, p. 125); however, the nature of UGC can also be argued to be highly credible in many ways as the writer is independent of the vendor and therefore does not gain directly from advocating the product or service in question (O’Connor 2010, p. 758).

Tripadvisor allows their users to rate their hotel experience as, terrible, poor, average, very good or excellent as illustrated below. In order to create a review, the user must also present whether their experience is based on family, couple, solo or business travel. Finally, one is asked to fill out a rating summary, rating the location, sleep quality, room, service, value and cleanliness of the hotel. Below is a rating of a random hotel in Copenhagen.
The digital era has changed the way information is presented and the internet has reshaped the way tourism information is distributed and the way people plan for and consume travel (Xiang & Gretzel 2010, p. 179). The consumer is now in more control than ever and Tripadvisor is, without a doubt, one of the sites contributing to the power of the consumer through user-generated content, in this case through the reviews. Companies who fail to follow social software applications, such as Tripadvisor, are missing out on market intelligence and other behavioral and trend information, which is important to their marketing strategies (Dwivedi & Venkatesh 2007, p. 424).

3.3. SOCIAL CUSTOMER RELATIONSHIP MANAGEMENT

As previously mentioned, the Internet and technological advances of the 1990s brought new opportunities for CRM. However, it also brought on new challenges, as the online marketplace is very competitive and consumers find themselves insecure and uncertain when purchasing online (Yoon, Choi & Sohn 2008, p. 603). These challenges make it even more important for companies to develop and maintain strong consumer relations. As companies continuously face the challenge of enhancing consumer trust and building relationships with customers, an understanding of what influences relationship building online is imperative (Yoon, Choi & Sohn 2008, p. 603). In the traditional, offline business environment, relationships between companies and consumers are established through various promotional efforts such as advertising, direct mail and sales promotions. Today, the Internet offers consumers the opportunity to be interactive and able to engage in two-way communication with greater control over the process of information search and acquisition (Yoon, Choi & Sohn 2008, p. 603).

CRM has recently gone through yet another transformation, introducing social CRM. The technological advances previously described, has now offered a new dimension; the social dimension. The social dimension of CRM integrates Social Media in the strategic and practical management of CRM. Before the Internet, there was the suggestion box, an impersonal but effective bearer of (mostly) bad news for
business from frank customers who felt they needed to share their opinions. Some companies took suggestions and opinions to hearts, while others ignored them. If customers didn’t use the box, business never found out what was on their mind (Bi & Konstan 2012, p. 93). Today, the Internet and especially social media is used for this type of communication between customers and companies. The new era of social CRM has brought customers and companies closer than ever, which holds enormous potential for companies to profit from. However, using Social Media as a channel for customer engagement also raises challenges for traditional CRM approaches, as Social Media integration results in the risk of companies losing control of the relationship. Through virtual and social networks, customers now have control over the conversation, trumping companies’ marketing, sales and service efforts anytime (Baird & Parasnis 2011, p. 30). Getting closer to customers is still a top priority, however, rules have changed.

Companies need to embrace this shift with a new strategy, a social CRM strategy, which recognizes that instead of managing customers, the role of the business is to facilitate collaborative experiences and dialogue that customers value. Understanding what customer value is, is the first step towards a social CRM strategy (Baird & Parasnis 2011, p. 30). Also, a crucial element in the transition to social CRM is to understand that social CRM does not substitute traditional CRM, but extends it. A social CRM strategy should combine the traditional CRM tools and strategies with the power to reach out and capture external customer interaction and directly connect with customers (Mosadegh & Behboudi 2011, p. 70). Woodcock, Green & Starkey (2011), refer to the definition by Paul Greenberg, stating that social CRM is “the business strategy of engaging with customers through Social Media with the goal of building trust and brand loyalty” (p. 52). They further agree with Baird & Parasnis (2011), underlining that social CRM does not replace existing CRM efforts. Instead, it adds more value to expand traditional systems. Askool & Nakata (2011) describes how social CRM is also referred to as CRM 2.0, as it is based on Web 2.0 technologies and how it focuses on conversations between customer and business rather than implementing and automating processes as in traditional CRM. They define social CRM as “a new strategy and system that integrates Web 2.0 and the power of online communities with traditional CRM systems for encouraging the customers to play a part with a firm in making decisions that have an impact on a particular customer and creating meaningful conversation and high value relationships between firms and customers” (p. 208). Finally, Askool & Nakata (2011) point out how organizational culture can be a risk factor, as technology itself cannot change an organizations culture. In social CRM, information and knowledge are built and shared in social interaction. Therefore, participation through social CRM systems must be a norm, not an expectation, as information and
knowledge are key factors in Web 2.0 technologies usage (p. 208). One of the sites which offer many opportunities for social engagement with customers, is Facebook.

3.3.1. FACEBOOK

According to Woodcock et al. (2011) the added dimension of Social Media is the most important business asset in regards to CRM. The new dimension of Social Media enable extreme easy access to information about and from the customers, since the social networking users already reveal a great deal of their customs, likes and dislikes, as well as other relevant data. The one site that acknowledges this knowledge making for and about customers is the world’s largest social networking site, Facebook. Facebook offers opportunities for targeted advertising, featuring the “Like button”; an application within the site which enables Facebook members to publicly demonstrate their affection toward a cause, product, service, brand or organization. In this way, Facebook has become the biggest relationship-marketing provider for many brands. The development of social networking sites, in particular Facebook, creates opportunities for development of comprehensive and innovative CRM frameworks (Woodcock et al., p. 208). According to Li & Bernoff (2008), technologies which benefit companies do not tend to last, whereas technology applications directed towards people do (p. 36). Facebook is an excellent example of a website directed towards people and the creation of relationships.

3.4. SUMMING UP

This literature review has outlined the technological revolution as a factor highly influencing CRM as we know it today. The review have described several factors which have changed the rules of the CRM game, including how challenging CRM has become due to this technological revolution of Web 2.0 and the introduction of UGC. The literature review was conducted with the purpose of generating knowledge on the fields of CRM and Social Media by reviewing each topic respectively and finally integrating them as one; social CRM. The first part of the literature review presented traditional CRM, including selected CRM approaches and processes. As described initially, CRM can be broken into three functional areas, which comprise the life cycle of a customer relationship: Marketing, sales and service, support and IT. Through this literature review it has been clearly indicated that in spite of the great potential of CRM, many CRM projects fail. According to all reviewed literature, the main reason
for this high percentage of failed projects is the lack of understanding of the essence of CRM as well as the common mistake of viewing CRM as a technological tool rather than a strategic matter (Pedron & Saccol 2009). On the basis of these conclusions, the model of CRM implementation by Payne & Frow (2006) was presented, including relevant approaches and processes of CRM implementation.

The literature review then moved on to the topic of Social Media, where the history and the different types of Social Media where outlined in order to give an overview of the topic. Along with the overview of the different types of Social Media, the classification scheme by Kaplan & Haenlein (2010) was presented in order to categorize the types of Social Media according to the social presence and social processes of the different types. Then the literature on Social Media in the hotel industry was presented, concluding that even though Social Media has brought new opportunities to the hotel industry in regards to CRM, it has also made the industry rather vulnerable, as it is very easy for a hotel to lose control over what gets written about them online. One Social Media application that has brought both challenges and opportunities to the hotel industry is the consumer review site, Tripadvisor as well as the social network, Facebook.

Finally, the new dimension of CRM was introduced; the social dimension. It described the transformation from the suggestion box to the current era of digital communication, including the enormous potential for companies to benefit from this communication if utilized correctly. The literature indicated a strong need for companies to embrace this new shift with a new strategy; a strategy that acknowledges both the potential and the challenges of social CRM.

On the basis of this literature review, it is possible to conclude that many companies, including hotels in Denmark, are facing a great challenge with the new information era and companies must develop strong, integrated strategies in order to benefit from the social aspect of CRM as well as meeting the challenges. In order to illustrate the importance of an integrated strategy, the author has extended the CRM by Ngai (2005) to a model of Social CRM, as shown below. The modified model illustrates the importance of integrating Social Media in all aspects of the CRM, including marketing, sales, service and support and IT.
3.5. PRELIMINARY HYPOTHESES

On the basis of the above literature review, two hypotheses have been developed and will be presented below. The theoretical framework in the next chapter will also present two hypotheses and together these four hypotheses will create the motivation for the following analysis. The hypotheses do not present the entire literature review, but is based on selected, relevant literature in order to create hypotheses supporting the initial research questions. The two hypotheses are:

Hypothesis 1: Understanding the Groundswell creates a foundation for successfully implementing CRM.

Hypothesis 2: By defining social CRM as a philosophy, strategy or tool, it minimizes the challenges of implementing CRM and allows for appropriate selection of an implementation approach.
4. THEORETICAL FRAMEWORK

The academic literature has provided a foundation for understanding the concept of CRM, including the new social dimension and its challenges and opportunities. The literature has illustrated the need for acceptance of CRM as an integrated strategy rather than a technological tool. It was found that the existing literature on acceptance of Social Media technology is based mostly on consumer perspectives rather than company perspectives. When planning a new system or approach, practitioners would like to be able to predict whether the new system will be acceptable to users, diagnose the reasons why a planned system may not be fully acceptable to users and to take corrective action to increase the acceptability (Davis, Bagozzi & Warshaw 1989). However, in the case of social CRM, it is not only the end-users of the new technology who are relevant in terms of technology acceptance; the usage of Social Media from a managerial side is also crucial, as the social dimension of CRM is based on two-way communication. On the basis of these observations, this chapter will present the relevant theoretical framework of technology acceptance for the analysis of the usage of Social Media as a part of CRM strategies in the Danish hotel industry.

4.1. INFORMATION TECHNOLOGY ACCEPTANCE

Technology acceptance is a well-studied area and studies within this field have delivered numerous theories and models that try to explain and predict and individuals intention to adopt a specific technology. This wide range of technology acceptance models help us to better understand why people accept or reject a new technology, allowing researchers to create better methods for designing and predicting how users will react to new innovation (Askool & Nakata 2011, p. 209). Davis (1989) introduced the Technology Acceptance Model (TAM) as an adaptation of the Theory of Reasoned Action (TRA) by Fishbein & Ajzen (1975); a psychological theory which focuses on how attitude and beliefs affect the intentions to perform a given behavior (Askool & Nakata 2011, p. 209). Venkatesh et al. (2003) formulated a more comprehensive model; the Unified Theory of Acceptance and Use of Technology, to achieve an integrated view of user acceptance. This model helps to identify and understand the elements that drive a new technology adaptation and acceptance (Askool & Nakata 2011, p. 209). Even though this model by Venkatesh et al. (2003) is found to be one of the most comprehensive models in regards to technology acceptance, it is not found suitable for this framework, as it contain control variables such as gender and age, which is not relevant for the type of analysis
conducted in the next chapter; or at least it is not included due to the limited study. Instead, the study of this thesis will be based on the original Technology Acceptance Model proposed by Davis (1989), including the addition of contemporary elements adapted from a recent study by Askool & Nakata (2011). The model, including the modifications, will be described in the following sections.

4.1.1. THE TECHNOLOGY ACCEPTANCE MODEL

The TAM model was specifically customized for explaining and predicting user acceptance of information systems. The model explains why users accept or reject technology and provides a basis for tracing the effect of external variables, attitude and intention towards a system (Askool & Nakata 2011, p. 209). The TAM model is found highly reliable and among all the different models proposed on technology acceptance, the TAM by Davis (1989) is likely to be the most widely used one among information systems researchers (Askool & Nakata 2011, p. 210). The motivation for developing the TAM model was the need for valid measurement scales for predicting user acceptance. Davis (1989) developed the TAM model, based on two variables for predicting user acceptance; the two variables are perceived usefulness (PU) and perceived ease of use (PEOU). These variables are the fundamental determinants of user acceptance (David 1989, p. 319) and will be explained below. The original TAM model is illustrated below.

![Figure 12: The Original Technology Acceptance Model - Davis, Bagozzi, & Warshaw (1989)](image)

Figure 12: The Original Technology Acceptance Model - Davis, Bagozzi, & Warshaw (1989)

4.1.1.1. Perceived Usefulness & Perceived Ease of Use

People tend to use or not to use an application to the extent they believe it will help them perform their job better; this behavior refers to the first variable of the TAM model: perceived usefulness (PU). If
potential users believe that a given application is useful, they may, at the same time, believe that the system is too hard to use and that the performance benefits of usage are outweighed by the effort of using the application. That is, in addition to PU the second variable: perceived ease of use (PEOU) (Davis 1989, p. 320). The definitions of the two variables are defined by Davis (1989):

- Perceived usefulness is defined as the degree to which a person believes that using a particular system would enhance his or her job performance.
- Perceived ease of use is defined as the degree to which a person believes that using a particular system would be free of effort.

Based on the definitions above, a system high in PU is a system which a user accepts as a positive use-performance relationship. An application high in PEOU, is perceived to be easier to use than another application (Davis 1989, p. 320). Below are the initial scale items for PU and PEOU respectively. These scales use the technological system of electronic mail, as this study was performed back in 1989. In the case of this thesis, the scale would then be based on Social Media, replacing the words ‘electronic mail’ with ‘Social Media’. An example would then be scale 6: “Social Media enables me to accomplish tasks more quickly”.

Table 1. Initial Scale Items for Perceived Usefulness

| 1. My job would be difficult to perform without electronic mail. |
| 2. Using electronic mail gives me greater control over my work. |
| 4. The electronic mail system addresses my job-related needs. |
| 5. Using electronic mail saves me time. |
| 6. Electronic mail enables me to accomplish tasks more quickly. |
| 7. Electronic mail supports critical aspects of my job. |
| 8. Using electronic mail allows me to accomplish more work than would otherwise be possible. |
| 9. Using electronic mail reduces the time I spend on unproductive activities. |
| 10. Using electronic mail enhances my effectiveness on the job. |
| 11. Using electronic mail improves the quality of the work I do. |
| 12. Using electronic mail increases my productivity. |
| 13. Using electronic mail makes it easier to do my job. |
| 14. Overall, I find the electronic mail system useful in my job. |
According to Davis (1989), the scale of PU revolves around three groupings. These groups relates to job effectiveness, productivity and time savings as well as the importance of the system to one’s job. In regards to PEOU, the scale can also be categorized into three groups; in this case the psychical effort, the mental effort and the perception of how easy a system is to learn. Davis (1989) argues that a further review of literature on technology acceptance shows that the ease of use and ease of learning are strongly related (p. 325). In other words, if a user predicts that a system is relatively hard to learn, he or she is more likely not to adopt it. However, Davis (1989) also argues that studies of how people learn new systems suggests that learning and using are not separate, disjoint activities, but instead that people are motivated to begin performing actual work directly and try to “learn by doing” as opposed to user manuals or online tutorials (p. 325).

In one of the studies performed by Davis (1989), participants were asked to report their degree of current usage of electronic mail. The degrees to choose from were:

1. “Don’t use at all”
2. “Use less than once a week”
3. “Use about once a week”
4. “Use several times a week”
5. “Use about once each day”
6. “Use several times each day”

The purpose of the research by Davis (1989) was to develop and validate new measurement scales for PU and PEOU, two distinct variables hypothesized to be determinants of technology acceptance and

<table>
<thead>
<tr>
<th>Table 2. Initial Scale Items for Perceived Ease of Use</th>
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<tbody>
<tr>
<td>1. I often become confused when I use the electronic mail system.</td>
</tr>
<tr>
<td>2. I make errors frequently when using electronic mail.</td>
</tr>
<tr>
<td>3. Interacting with the electronic mail system is often frustrating.</td>
</tr>
<tr>
<td>4. I need to consult the user manual often when using electronic mail.</td>
</tr>
<tr>
<td>5. Interacting with the electronic mail system requires a lot of my mental effort.</td>
</tr>
<tr>
<td>6. I find it easy to recover from errors encountered while using electronic mail.</td>
</tr>
<tr>
<td>7. The electronic mail system is rigid and inflexible to interact with.</td>
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<tr>
<td>8. I find it easy to get the electronic mail system to do what I want it to do.</td>
</tr>
<tr>
<td>9. The electronic mail system often behaves in unexpected ways.</td>
</tr>
<tr>
<td>10. I find it cumbersome to use the electronic mail system.</td>
</tr>
<tr>
<td>11. My interaction with the electronic mail system is easy for me to understand.</td>
</tr>
<tr>
<td>12. It is easy for me to remember how to perform tasks using the electronic mail system.</td>
</tr>
<tr>
<td>13. The electronic mail system provides helpful guidance in performing tasks.</td>
</tr>
<tr>
<td>14. Overall, I find the electronic mail system easy to use.</td>
</tr>
</tbody>
</table>
usage. Based on several studies performed by Davis (1989), the effort of the studies was concluded to be successful and the measurements of PU and PEOU were found to be valid. One of the most significant findings of the studies is the relative strength of the usefulness-usage relationship compared to the ease of use-usage relationship. In all studies conducted by Davis (1989), usefulness was significantly more strongly linked to usage than the ease of use. Although difficulty of use can discourage adaptation of an otherwise useful system, no amount of ease of use can compensate for a system that does not perform a useful function (p. 333). In other words, technology systems are more likely to be accepted by users who find them useful rather than users who find them easy to use. Thus a useful system which is hard to learn will still has better chances of being adopted by users than a less useful, but easy to learn system. Finally, Davis (1989) emphasizes that PU and PEOU are people’s subjective appraisal of performance and effort and do not necessarily reflect objective reality.

As mentioned previously, the TAM model by Davis (1989) was chosen as the theoretical framework for this thesis, as it was referred to in most technology acceptance literature as a highly respected and widely used model. However, it must also be noted that even though the model is still widely used, it is a theoretical model, based on technology and it dates back to 1989. As the theoretical foundations and perspectives of the model may still be relevant, it is important to notice that the field of technology has changed tremendously since 1989 and has come a long way; all the way from electronic mail to Social Media. Based on the development of technology as well as the objectives of this thesis, a need for an expansion of the model was found in order to create a valid and relevant theoretical foundation for the following analysis. This expansion will be elaborated on in the following.

4.2. SOCIAL CRM ACCEPTANCE

The TAM model has been modified and extended by many different researchers and academics, according to their specific needs and interests. In the case of this thesis, the author has comprehensively researched the different perspectives of technology acceptance and expansions of the TAM model. As mentioned previously, most of the research done on technology acceptance is based on consumer perspectives, often based on surveys or quantitative user data. Through the research, one study by Askool & Nakata (2011) was found to match the thesis objectives and was adopted as an extension to the original TAM model. The study proposes a conceptual model for acceptance of social CRM, identifying the factors that may influence business adaptation of social CRM as an enhancement to the original TAM model. The study supports the general conception of this thesis; the conception
that Web 2.0 technologies have become important tools within the growth of information and communication technology and that these technologies have an effect on CRM systems (Askool & Nakata 2011, p. 205). Another reason for choosing this enhancement is the conception that even though Social Media is recognized as adding value to traditional CRM systems, it is not yet fully utilized. The study also recognizes that while traditional CRM is very sales-driven, social CRM is interaction-driven. With the motivational background for choosing this enhancement to the TAM model in place, the following will present the factors proposed by Askool & Nakata (2011) to be influencing the adaptation of social CRM.

Through the study conducted by Askool & Nakata (2011), five determinants related to social networks and business relationships were identified. These five factors are thought to affect the acceptance of social CRM. These factors include Web 2.0 features (ease of networking, ease of collaboration and ease of participation), familiarity, care, information sharing and perceived trustworthiness. Each of these five factors will be elaborated on below, based on Askool & Nakata (2011) pages 213-214.

- **Web 2.0** can be regarded as an important tool for the development of social relationships. In terms of business relationships, mutual interest existing on a more personal and relational level is likely to build stronger bonds between customers and employees and therefore the company. Web 2.0 technologies can be used as enablers for creating close and long-term relationships between organizations and their customers. Based on this, Web 2.0 features are expected to have positive influence on social CRM usage and acceptance.

- **Familiarity** refers to the perception that the company understands the requirements of the customers and demonstrates special recognition towards the customer. This recognition can be determined by the frequency and depth of the communication. Weekly communication can build significantly better relationship than monthly communication. A consultant is also more likely to become more effective after working with a client for a long time due to an increase in improved understanding and increased familiarity. The increase in familiarity contributes to the development of trust and relationships that make the collaboration easier and more effective for both parties. The link between trust and familiarity exists for two reasons. Firstly, familiarity generates the ability to understand the environment and the trusted party. Secondly, it presents a framework for expectations about the target’s future actions.

- **Care** refers to a customers’ perception that employees have their best interest in mind when interacting with him or her. It is widely believed that high faith in humanity leads to caring
behavior and, based on this assumption, companies usually encourage employees to demonstrate attention and care towards customers.

- **Information sharing** can be viewed as a flow of information through social networks. It is widely believed that a good relationship between people is where both sides are open, share information and work together to solve problems. Information sharing is identified as a core element of working relationships. In addition, a social network is often affected by how willing and easily people share information with others. As a result, a strong and long relationship between customers and companies (or its employees) could be formed by sharing information or knowledge. Trust in these relationships can be built through a developing of a sense of openness and shared information between partners. However, a big challenge to information sharing is the security issue; many customers are often sensitive about the safety of their information and are therefore reluctant to share valuable information.

- **Perceived trustworthiness (trust)** is an essential factor in relationships. Many studies show that true and successful relationships cannot grow without a high level of trust between parties. Perceived trustworthiness is an expectation of another party’s behavior according to previous action. In this context, the focus is on perceived trustworthiness that is specifically developed in relationship between customers and employees/companies. According to previous studies, results show that online customers believe that a company and its resources and capabilities can be presented by its website or online activity.

Based on the study by Askool & Nakata (2011), the five above determinants were incorporated in the original TAM with the purpose of creating a model for exploring customer intention and behavior to accept and use social CRM systems. These five factors can be described as external factors, according to the original TAM model. Thus the author has modified the original TAM model by including the five factors in the model, as illustrated below.
As the illustration shows, the five factors are replacing the “external variables” in the original model, as these five determiners are the external variables of social technology acceptance. As described above, the study conducted was based on the acceptance of social CRM systems from a customer perspective. As this thesis is based on a company perspective, the determiners of the enhanced TAM model will be used to investigate the acceptance of social CRM from a company perspective, while drawing on the objectives and structure of the study by Askool & Nakata (2011). It is, however, still the relationship between the company and the customer which is the focus of both the theoretical framework as well as following analysis. Before moving on, the company-customer relationship will be elaborated on, as social CRM adaptation is dependent on this relationship as the very core of the enhanced TAM model. The following will present the dimensions of the different external factors and their relations to each other.

Social networking is about interaction. As this theoretical framework is based on interaction between companies and customers, this is the type of interaction that is referred to; the interaction and communication between employees (management or non-management) and customers. Social networking has been described in the previous literature review; however, in the case of this enhanced model (STAM) and theoretical framework in general, social networking should be viewed in terms of
business relationships. In the STAM, adaptation of social CRM is dependent on the company-customer relationship. As social connections, relationships and communities are being enhanced, Web 2.0 features would positively influence the perception of familiarity, care and information sharing (Askool & Nakata 2011, p. 215). Through the online networks, customers can generate relationships with a company though its employees (management or non-management) by discussing new products in a social network. The initiative could be from the employees’ side which would then motivate the customers to join the discussion by responding to a post about the product. The employee may then reply and, in this way, create a familiar and caring relationship, showing genuine interest in the customers need or request. Through this relationship, it is possible for companies to create knowledge about their customers through social networks. This knowledge about a customer can further enhance the building of trust and familiarity, thus assuming that familiarity may have a positive effect on caring behavior toward the customer (Askool & Nakata 2011, p. 215). The relationship between familiarity and the development of perceived trustworthiness is also closely linked, and it is believed that familiarity has a positive influence on trust. However, this may not be the case if a customer has a negative perception of a product or service.

In order for caring behavior to lead to enhanced trust, three groups of behaviors must be recognized. The first of the three groups of behavior is the obligatory behaviors of respect and honesty. Secondly, the instrumental behavior of goal orientation should be present. Goal oriented behavior could be represented by employees replying to customer feedback with the belief that the reply may affect their future income or profit. Lastly, hedonic behavior must be present. This type of behavior refers to activities that create pleasure to satisfy others. If trust is then established, previous studies have shown that trust then leads to commitment and cooperation, thus leading to a positive influence on a persons’ attitude towards using social CRM (Askool & Nakata 2011, p. 216). Finally, the PU and PEOU has a strong relations to the attitude towards accepting social CRM. According to Davis (1989), PU has a significant impact on behavioral intention. In the context of social CRM, Social Media tools may enable users to fulfill certain tasks more easily and effectively. Thus, users who think that social CRM systems are easy to use and useful will tend to hold a more positive attitude towards it (Askool & Nakata 2011, p. 216).

4.3. SUMMING UP

To sum up on the above theoretical framework, a proposed model was developed, based on the original Technology Acceptance Model by Davis (1989) which was then modified to include the five
determiners proposed by Askool & Nakata (2011) to influence user behavior towards accepting social CRM systems. The purpose of this framework is to incorporate the features of social networking into the TAM and to create a framework for understanding user behavior and attitudes toward accepting new technology. The purpose of the enhancement of the original TAM was to select relevant and contemporary theory and thus combining validated theory with new, less validated theory, in order to create a proper framework for the analysis of user acceptance of Social Media. Today, Web 2.0 represents a new platform for customer interaction that contains features that can create and maintain customer satisfaction and expectations. However, in order to meet these expectations, the technology must be accepted by the intended users (Askool & Nakata 2011, p. 217). In the case of social CRM, users refer to both customers and companies while users in the analysis of this thesis refer to companies, or the employees of a company.

4.4. RELIABILITY AND VALIDITY

As the expansion of the TAM model is based on a recently developed model proposed by Askool and Nakata (2011), the model has not been revalidated by others than its original authors and this thesis. Also, it must also be noted that the proposed theoretical framework is focused on individual adaptation of social CRM rather than organizational adaptation. This is not a limitation in itself, as it suits the purpose of this thesis as well as the following analysis; however, it must be noted as organizational adaptation would require a very different approach and analysis of organizational behavior rather than individual behavior. Also, the above review of the relations between the different elements of the STAM model is a limited review due to the space limitations of this thesis. An expansion of the review would consist of separate reviews of the relations between each of the elements and their relations to PU and PEOU. Instead, the above review is based on selected relations which are found relevant for the purpose of this thesis. The theoretical framework proposed above must therefore be seen as a preliminary framework as well as motivation for further research.

4.4.1. CRITIQUE OF THE TECHNOLOGY ACCEPTANCE MODEL

In spite of the frequent use of the TAM, criticism of the model exists. The frequent use of the model includes a variety of different additions and modification of the model by other researcher in order to adjust it to the current state of the field of information technology. This can, in many ways, be
considered a strength due to the constant revalidation on the model; however, according to Benbasat & Barki (2007), the constant changes to the model have resulted in a state of theoretical chaos. As previously described, the modification by Askool & Nakata (2011) chosen for this theoretical framework has not been validated by other than the authors of the study as well as this thesis. According to Bagozzi (2007), another strength of the model is its simplicity and consistency which has resulted in the model outperforming previous model in the field. Bagozzi (2007) does, however, also argue that the very simplicity of the model can also be considered a weakness as he finds it unreasonable to believe that a model of this simplicity is able to determine and explain behavior across a wide range of technologies. Finally, Bagozzi (2007) argues that the model is lacking an organizational and cultural aspect which he finds to be a crucial element in the analysis of human behavior as human behavior is rarely characterized as individuals acting in isolation. While the above critique is relevant to the reflective nature of this thesis, it is believed that the simplicity of the model should be considered a strength of the theoretical framework of this thesis due to the delimitations of the study.

4.5. THEORETICAL HYPOTHESES

Based on the relations between the different elements of the revised TAM model (the STAM model) reviewed above, two preliminary theoretical hypotheses about those relations as well as the reviewed theory in general is presented below. Along with the preliminary hypotheses from the previous literature review, these hypotheses will be evaluated in the following analysis. The two hypotheses based on the theoretical research are:

Hypothesis 1: Caring behavior positively influences perceived trustworthiness which then has a positive influence on the attitude towards accepting social CRM.

Hypothesis 2: Perceived usefulness (PU) has a stronger influence on the acceptance of social CRM than perceived ease of use (PEOU).
5. ANALYSIS

Social Media is a relatively new development within IT and the social perspective of CRM is even newer. The analysis of this thesis is aimed to investigate to what extent the Danish hotel industry has accepted the use of Social Media as a strategic part of their communication platform. Factors influencing the adaptation of traditional CRM have been covered by several studies (Askool & Nakata 2011), however the current and potential adaptation of social CRM is relatively uncovered in regards to the acceptance of Social Media as a communication platform for social CRM. Also, through the research of current literature on technology acceptance, it was found that most of the studies conducted on the technological acceptance of different media applications are based on consumer perspectives, rather than the technological acceptance and usage from an organizational perspective. On the basis of this recognition, this analysis will investigate the technological acceptance and usage of Social Media as a communication platform for social CRM in the Danish hotel industry. It will present and analyze the empirical findings of the interviews as well as the observations of online activity. The analysis is conducted on the basis of the theoretical framework presented in the previous chapter.

The introduction presented the problem statement of the thesis, including the supporting research questions. To further support the research questions and utilize them as basis for this analysis, four hypotheses have been developed. The first two hypotheses are based on the literature review and the final two are based on the theoretical framework. Through the analysis, these four hypotheses will be confirmed or rejected; however, not necessarily in the same order as the hypotheses.

5.1. METHODOLOGICAL CONSIDERATIONS

As described initially, this thesis is based on the hermeneutic paradigm which influences the choices of interpretation methods for the analysis. According to Kvale (1984) three levels of interpretation is defined. The first level is the interpretation of the self-realization of the subject investigated. The second level is represented by the common-sense of the interpreter while the third level is the theoretical interpretation of a subject (Kvale 1884 in Andersen 2008, p. 196). This analysis pursues to include all three levels in the interpretation of the data collected and presented, following the hermeneutic spiral of continuous dialog, understanding and interpretation.
The analysis of this thesis is based on qualitative interviews and online observations. The respondents of the interviews are selected on the basis of their position as hotel or general managers. The respondents were chosen based on preliminary observations of the Social Media activity of the respective hotels. The research units are thus defined as a stratified selection of individual respondents rather than organizational or focus group respondents in order to intensify the study through the depth of the interviews (Andersen 2008, p. 112). The purpose of the stratified selection of managers is the ability to generalize from the findings. The relatively small amount of respondents must be considered; however, according to Andersen (2008), an explanatory purpose does not require a large number of respondents, as the relations between the different variables investigated may be the same, whether the representation of respondents is small or large. Finally, the variables chosen for the online observations as well as the interviews are influenced by the theoretical framework of technology acceptance. The online observations are based on six levels of online activity developed by the author, number of TripAdvisor reviews and number of Facebook check-ins. In order to further elaborate on the methodological considerations for the analysis, the questioning and observational techniques will be described below.

5.1.1. QUESTIONING TECHNIQUES

The questioning techniques basically consist of asking questions in order to obtain knowledge about the respondents and his or her habits, opinions and attitudes. The questioning technique may either be qualitative or quantitative. Due to the hermeneutic discipline as well the thesis being primarily explorative and explanatory has resulted in the choice of a qualitative questioning technique for the interviews. The qualitative interviews seek to describe and understand the meaning of what is being said, on both a factual and interpretive level. The qualitative method is also superior in gaining in-depth knowledge of the thinking and reasoning patterns of the interviewees while aiming to obtain different qualitative aspects of the interviewees’ world (Kvale 1996, p. 32). Based on the qualitative method chosen for the interviews, the below considerations were made.

Along with the analysis of online activity on Social Media sites, interviews with four hotel managers constitute the primary part of the empirical research for this thesis. The interviews with hotel managers were conducted in June 2013. The interview respondents were chosen based on the online activity of their hotels. Digital recordings were made of each interview, and are available as an attachment to this thesis. The interviews were transcribed as an abstract. It was not found necessary to fully transcribe the
interviews as the analysis of the interviews were not made on a linguistic level. A full transcription may also have created an artificial construction of the interview and the validity could have been jeopardized (Kvale 1996, p. 163). The interviews were conducted in Danish while the abstracts are translated into English. References to the interviews in the text are also in English. One of the respondents is Swedish, but has worked in hotel management in Copenhagen for several years.

The interviews were made after the development of the theoretical framework for the analysis and the interviews were therefore influenced by this. All of the interviews were relatively informal, some more than others, depending on the relations between the interviewee and interviewer. The duration of the interviews also differ, as the time available from each manager was different. The interviews were conducted in a dynamic and non-academic manner in order to promote a positive interaction (Kvale 1996, p. 130). The very virtue of qualitative interviews is their openness. The interviews conducted are open, however semi-structured, in order for the interviewer's knowledge and intuition to lead the interviews (Kvale 1996, p. 84). For the full interview structure, please see appendix 1.

One challenge in regards to the interviewing of managers is that they are superior to the interviewer in terms of social status (Andersen 2008, p. 146). This has been the case in the conducted interviews; however, by being prepared for this scenario and initially explaining the structure and purpose of the interview limited the risk of the interviewees taking control of the interviews.

5.1.2. OBSERVATION TECHNIQUES

The analysis of the online activity is based on structured, direct and participating observation (Andersen 2008, p. 155). The observation has been structured by selecting the observation activities in advance. This was done by selecting the 50 best ranked hotels on Tripadvisor, including their activity on Facebook and Tripadvisor, as the observation platform. The choice of platform was based on the assumption that the list of the 50 highest ranked hotels would provide the possibility of comparison of the hotel ranks vs. the activity levels. In regards to the analysis of online activity on Facebook and Tripadvisor, observations have been done continuously starting from March 2013. The personal Facebook account of the author was used to “like” the hotels’ Facebook pages in order to be able to view all the information and updates.

The observation techniques could be categorized as indirect as the people behind the observed activity are not aware of this observation. However, as we are dealing with publicly available information, this
thesis argues that the observation is direct as the observer is visible for the people and activities involved. It must of course be noted that the hotel managers have not been made aware of this specific observation. Along with the direct observation technique, it is only natural for the observer to participate in the observations. This case is categorized as closed participation, as the observer does not make the observed hotels aware of the observation or its purpose. The observer is still participating as a part of observation platform, which is the social media sites of Facebook and Tripadvisor. Participating observation is found suitable for examining and analyzing social phenomena and case studies where the general purpose is to understand a phenomenon and its related components and their context (Andersen 2008, p. 157).

The data collected through the observations can be categorized as both qualitative and quantitative. The quantitative part of the observation can be statistically processed; however, the primary purpose of the observation is the qualitative processing of the information observed. Thus, the online observation for this thesis is categorized as qualitative, direct, participating observations. This enables the author to combine the qualitative findings from both interviews and online observations to conclude on the analysis.

The online observations will be presented as an index, including the Tripadvisor rank, number of reviews, number of Facebook check-ins as well as the activity level on SM determined by the author. The numbers from this index will then be transformed into written text in order to select and present the data most relevant to the study. In order to be able to perform a qualitative analysis, the data must first be processed. The primary processing technique used for this is the multivariate processing technique. This technique enables an analysis of the relations between several variables in order to determine the reasons for these relations (Andersen 2008, p. 194).

A common critique of the above observation techniques is the risk of a selective perception of the phenomenon observed, which means that the conclusions of the observation are limited to just one perspective; that is the one of the observer. This risk is difficult to avoid and has been acknowledged. The observations have been structured as objectively as possible to minimize the risk.

5.1.3. RELIABILITY & VALIDITY

The validity of this analysis, as well as the entire thesis in general, is based on Kvale’s (1996) principle that “to validate is to question” (p. 243). Kvale argues that one must always ask the questions what and why
before asking the question of *how*, which has also had a great influence on the structure of the thesis. Establishing validity involves issues of truth and knowledge. According to Kvale (1996), a valid argument is well-grounded, justifiable, strong and convincing. Validity in qualitative research pertains to the degree that a method investigates what it is intended to investigate. Valid knowledge involves the philosophical question of truth. In philosophy, three classical criteria of truth are recognized – *correspondence*, *coherence* and *pragmatic utility*. The *correspondence* criterion of truth concerns whether a knowledge statement corresponds to the objective world. The *coherence* criterion refers to the consistency and internal logic of a statement while the *pragmatic* criterion relates the truth of a knowledge statement to its practical consequences (Kvale 1996, p. 238). Kvale (1996) argues that comprehensive verification of qualitative research involve observation, conversation and interaction (p. 239). The above philosophical constructs are the very foundation of this thesis while the following practical considerations are used to perform a reliable and valid interviews and online analysis.

Validity of this analysis is based on continuously questioning and interpreting the findings of the conducted research. Interpretation of the interviews is based on the theoretical framework proposed in the previous chapter. By using the theoretical framework, it allows the author to structure the analysis and thus questioning the findings of the interviews and online activity analysis. Also, the credibility of the researcher is essential. It must be considered, that the author of this thesis has no previous academic research papers. However, it is not only the previous research that validates a researcher, but also his or hers moral integrity (Kvale 1996, p. 241). According to Glaser and Strauss (1967), validation is not a final verification or product control; verification is built into the research process by continuously checking the credibility, plausibility and trustworthiness of the findings (In Kvale 1996, p. 242).

A common critique of research interviews is that their findings are not valid because the subject’s reports may be false (Kvale 1996, p. 243). This is of course a very important consideration when basing an analysis of qualitative interviews. This consideration was made before and during the interviews, motivating the researcher to promote honesty through the informal and positive attitude. Leading questions were used to a certain extend in the interviews, in order to check the reliability of the interviewees’ answers. In the case of this thesis, the interviews were conducted after the development of the theoretical framework as well as the four hypotheses. Thus, the interviews were used for testing the hypotheses in order to confirm or reject them.

Critique of the qualitative interview includes that findings are not generalizable as there are too few subjects (Kvale 1996). The number of subjects (interviewees) depends on the type of study. This thesis
understands the critique of generalization but tries to emphasize on the contextuality and heterogeneity of knowledge (Kvale 1996) in order to validate the generalizations. Finally, the qualitative interview has been criticized for not being objective or scientific (Kvale 1996, p. 285). This critique may be true to some extent, but academic investigation can lead to scientific results by using a systematic, commonsense approach. In regards to objectivity, the author recognizes the risk of subjectivity and accepts it to a certain extent, as subjectivity represents the personal and emotional aspect of the interviewees, which is found relevant for this analysis. One of the main arguments for qualitative research to be reliable is that the same empirical data could be obtained in another interview. In order to increase the reliability, the interviews were based on the same interview guide, as shown in appendix 1. With the above considerations, the reliability and validity of this research is considered high, however, still recognizing the inexperience of the researcher as well as the risk of subjectivity.

5.2. FINDINGS OF THE INTERVIEWS

This section will present the main findings of the four interviews with hotel managers. As previously explained, the interviews were conducted after the development of the STAM model and are greatly influenced by this. Even though many of the questions were not directly related to the technological acceptance of Social Media, the interviewer continuously interpreted the answers according to the different elements of the STAM.

Four hotel managers were interviewed. Their full profiles are presented in appendix 2 A-D and briefly presented in the table below:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>HOTEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Bagger</td>
<td>Hotel Manager</td>
<td>Clarion Collection Hotel Mayfair</td>
</tr>
<tr>
<td>Charlotte Toft</td>
<td>Hotel Manager</td>
<td>Quality Airport Hotel Dan</td>
</tr>
<tr>
<td>Karen Nedergaard</td>
<td>General Manager</td>
<td>Andersen Hotel &amp; Hotel Absalon</td>
</tr>
<tr>
<td>Cecilia Mauritzson</td>
<td>General Manager</td>
<td>Clarion Collection Hotel Mayfair</td>
</tr>
</tbody>
</table>

In the following analysis, the interviewees will be referred to by their first names. Thomas and Cecilia were both interviewed as managers of Hotel Mayfair, however at different times. Thomas is now the general manager of Clarion Collection Hotel Post in Oskarshamn in Sweden and Cecilia has taken over
the management of Hotel Mayfair. Before this, she was the general manager of Clarion Collection Hotel Neptun in Copenhagen and therefore she was asked to answer the questions based on her time as a manager for both Hotel Neptun and Hotel Mayfair. She was included as an interviewee as it was obvious that after her arrival to Hotel Mayfair, the hotels’ activity on social media quickly changed and thus it was clear that her preferences were different than from the previous management. The interviews will not be presented as separate cases, but as a general discussion. Abstracts of the interviews are presented in appendix 2A-D. Before further elaboration on the interviews, an overview of the answers of the interviewees is presented in the table below. The answers are simplified and structured in order to use the table for comparison.

<table>
<thead>
<tr>
<th>TABLE 4: OVERVIEW OF ANSWERS FROM INTERVIEWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>To which extent are you using SM?</td>
</tr>
<tr>
<td>Thomas</td>
</tr>
<tr>
<td>Charlotte</td>
</tr>
<tr>
<td>Karen</td>
</tr>
<tr>
<td>Cecilia</td>
</tr>
<tr>
<td>Very little and not enough</td>
</tr>
<tr>
<td>Very little, but enough</td>
</tr>
<tr>
<td>To a great extent</td>
</tr>
<tr>
<td>To a great extent</td>
</tr>
<tr>
<td>Which channel(s) is/are the most important for your hotel?</td>
</tr>
<tr>
<td>TripAdvisor</td>
</tr>
<tr>
<td>Don’t know</td>
</tr>
<tr>
<td>TripAdvisor and Facebook</td>
</tr>
<tr>
<td>TripAdvisor and Facebook</td>
</tr>
<tr>
<td>Do you find social media a threat or an opportunity?</td>
</tr>
<tr>
<td>Facebook an opportunity, TripAdvisor a threat</td>
</tr>
<tr>
<td>Mostly an opportunity; however not so much for Hotel Dan</td>
</tr>
<tr>
<td>Mostly all opportunity as threats can be eliminated by acting on it</td>
</tr>
<tr>
<td>Mostly all opportunity as threats can be eliminated by acting on it</td>
</tr>
<tr>
<td>Do you feel confident in developing and maintaining SM sites?</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Are you using sufficient resources on SM?</td>
</tr>
<tr>
<td>No, not at all</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Do you think that SM activity influences the relationship with the guests?</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Do you feel that you have to be visible on SM sites?</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

Common for all four interviewees were the issue of resources. They all related differently to the subject, but agreed that resources are the main determinant of the implementation of Social Media. To
categorize, the four interviewees can be divided into two groups; One group which believes that their efforts and resources spent on Social Media sites are appropriate and sufficient and one group which does not find their presence on Social Media sufficient as they do not have enough resources. The first group consists of Cecilia and Karen. In spite of their very different approaches to Social Media activity as well as the levels of activity, they both believe that the resources spent on social media is sufficient as well as the gains of their efforts. The second group, consisting of Thomas and Charlotte, share the idea that they do not utilize Social Media due to the lack of resources.

In the theoretical framework, the initial scales for Perceived Usefulness and Perceived Ease of Use were presented. When interpreting the answers of the respondents, it was decided to categorize their levels of usage as illustrated below:

<table>
<thead>
<tr>
<th></th>
<th>PU</th>
<th>PEOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Charlotte</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Karen</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Cecilia</td>
<td>11</td>
<td>3</td>
</tr>
</tbody>
</table>

From the table above, it is clear that Karen is far superior in the level of PU and PEOU. She is categorized as level 14 on both scales, which can be translated into the fact that overall she “finds Social Media easy to use (PEOU) and very useful (PU)”. Cecilia also rates high on the scale of Perceived Usefulness with a score of 11, translating into “Social Media improving the quality of her work”. In regards to Cecilia’s scale of Perceived Ease of Use, she finds the interaction on Social Media easy to understand. In regards to Thomas and Charlotte, it was not possible to determine their scale of PU as they have not utilized Social Media to an extend where it was possible to measure the usefulness. Their scale of Perceived Ease of Use is also relatively low (4 and 3 respectively) which indicates a need for consulting in order for them to avoid frustration when working with Social Media.

It is obvious that the four different interview respondents have very different approaches to and opinions about the role of Social Media. Common for all of them is that in regards to CRM, social media is not yet the primary channel of communication with the guests. All, except for Karen, refer to internal loyalty and customer satisfaction programs which creates the relations with the guests of the hotels. None of them feel that Social Media applications or sites are able to replace these
establishments at this point. One of the reasons for this is, as argued by Thomas, that some things are better off handled privately between hotel management and the guest. He argues that using an internal customer satisfaction program encourages honest feedback from the guests as it is not public information. Charlotte agrees with Thomas and argues that a hotel should only utilize Social Media to the extent that it is relevant to the type of customers that uses the hotel. In general, Charlottes’ attitude towards social media was very neutral, but her description of their activity on Social Media was found to be relatively far from the actual activity. Charlotte described their Social Media activity as almost non-existing while the truth is that they make regular updates on Facebook. It is also worth mentioning that 3,522 people have checked themselves in at the hotel on Facebook. When looking at the Facebook page of Hotel Dan, it is clear that it has a very personal focus, including both guests and employees in the posts by welcoming new employees and congratulating the employee of the year. According to Charlotte, there are two reasons why they do not use Social Media to a greater extent. First of all, she argues that most of their guests are one-timers and therefore have no interest in liking their Facebook page or participating in any way. Second of all, she does not have the time or resources that it requires to maintain a Social Media site on the level that would be required if taking it to the next level. In regards to Hotel Mayfair, Thomas argued that he realizes the great opportunities of Social Media, especially Facebook; however, he is not able to find the resources either. Cecilia, who is now the general manager of Hotel Mayfair, has a very different opinion and approach. She agrees that Social Media has great opportunities but does not have problems finding the time and resources to perform on Social Media sites to the extent that she finds appropriate. Karen from Andersen Hotel shared the opinion of Cecilia, stating that she does not have problems finding resources for Social Media activity. Even though both Karen and Cecilia find time and resources and both feel that they are utilizing Social Media to the maximum level, there is a great difference between their levels of activity. Karen answers all reviews on Tripadvisor, as she argues that she feels like she owes it to the guest to spend the same amount of time replying a review that the guest spent writing it. Cecilia, on the other hand, answers only the very few reviews that she finds requires a reply. This is not due to the lack of resources, but to avoid standardized and impersonal answers. In regards to their Facebook activity, their levels are also different and the content of their activity also differs greatly. Even though Andersen Hotel has only existed little over a year, they already have 1,021 people who have checked in to the hotel. These people may just have checked in at the location of the hotel at an event. On Hotel Mayfair’s Facebook page, 728 people have checked in even though their page has existed much longer.

All interviewees, except for Charlotte, feel that it is important to be visible on Social Media. Thomas, Karen and Cecilia agree that Social Media is taking over many other functions in the future while
Charlotte was a bit more hesitant, feeling that even though Social Media can be a great opportunity, it is not for everyone. Charlotte was also the only interview respondent who did not feel that Social Media influences the relationship with the guests. She explained that due to the type of guests at Hotel Dan, it is not plausible that Social Media would have any influence on their experience or the chances of them returning to the hotel. Charlotte and Thomas are also the two of the interview respondents who do not feel confident in developing and maintaining social media sites, such as Facebook. Karen and Cecilia find it very simple to maintain the sites. Cecilia has recently had an external application developed for Hotel Mayfair, in order to for guests and potential customers to download the app for information on the hotel. Whether they are confident or not in the maintenance of Facebook, all four interviewees have utilized external consultants in one way or another. Thomas once had a meeting with a Social Media consulting company in order to understand the possibilities of having external consultant to develop and maintain their Facebook page. He was very impressed with the many opportunities offered by the company, but quickly concluded that there were no resources for this. Cecilia and Karen have both participated in Social Media workshops to gain a better understanding of the different possibilities of Social Media as well as how to handle possible threats. As previously mentioned, Cecilia has also hired an internal employee to develop a mobile application for hotel Mayfair, during normal working hours, with no extra payment. Charlotte also hired a company to update their Facebook page.

From the above elaboration on the interviews with the hotel managers, it is clear that the four interviewees have very different opinions about Social Media and see it from very different perspectives. They all agree that you should only engage in social CRM full-hearted and if you have the necessary resources available; however, the level of resources needed for implementation and maintenance of Facebook is very different for the four interviewees. Also, in spite of the very different approaches to and levels of Social Media activity, Karen and Cecilia believe that they are utilizing the opportunities of Social Media to the maximum. This clearly states that the definition of Social Media opportunities is very different from each interview respondents, as well as the amount of resources needed for successful implementation.

5.3. FINDINGS OF THE ONLINE OBSERVATIONS

As part of this analysis, online observations have been made in order to determine the level of activity on Social Media sites (Tripadvisor and Facebook) for hotels in Denmark. The research platform was narrowed down to include hotels in Copenhagen only. The observation platform includes 50 hotels.
The 50 hotels were selected based on their Tripadvisor ranking. It was decided to use the 50 best ranked hotels in Tripadvisor in order to use the ranking as a structure for the observations and in order to use this structure for analytic, comparative purposes.

Six levels of activity were developed by the author. These levels indicate how active a hotel is on Social Media sites. This analysis is limited to only analyzing activity on Tripadvisor and Facebook as these are found to be the most relevant Social Media sites in the Danish hotel industry. The definitions of the six activity levels are inspired by the degrees of usage defined by Davis (1989) and presented in the literature review. These six levels are defined below:

<table>
<thead>
<tr>
<th>TABLE 6: SOCIAL MEDIA ACTIVITY LEVELS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity Level 0:</strong> Hotel is not visible on any SM sites</td>
</tr>
<tr>
<td><strong>Activity Level 1:</strong> Hotel is visible only on Tripadvisor but with no activity</td>
</tr>
<tr>
<td><strong>Activity Level 2:</strong> Hotel is visible on Tripadvisor and Facebook but with no activity</td>
</tr>
<tr>
<td><strong>Activity Level 3:</strong> Hotel is visible on Tripadvisor and Facebook with little activity</td>
</tr>
<tr>
<td><strong>Activity Level 4:</strong> Hotel is visible on Tripadvisor and Facebook with regular activity</td>
</tr>
<tr>
<td><strong>Activity Level 5:</strong> Hotel is visible on Tripadvisor and Facebook with a lot of activity</td>
</tr>
<tr>
<td><strong>Activity Addition X:</strong> The online activity of additional applications or services</td>
</tr>
</tbody>
</table>

The above activity levels will be used to determine the activity level of the individual hotels in the analysis. In this analysis, it is not considered possible for a hotel to be present only on Facebook and not on Tripadvisor as visibility on Tripadvisor is decided by users adding the hotel rather than voluntary participation by the hotel. There may be very few exceptions to this rule, however, this will not be considered in this analysis. The activity addition X refers to additional activity such as links to other services, including booking sites, homepages, reviews (including Tripadvisor) or other Social Media sites or applications. Little activity refers to activity about once a month; regular activity refers to activity about once a week and a lot of activity refers to activity about once a day. If a hotel is visible on Tripadvisor and Facebook with little activity but with links to a booking site, the activity level will then be determined as Level 3X. By activity is referred to the amount of information shared through the Social Media sites, such as management responses on Tripadvisor and posts on Facebook. The following will present and analyze selected parts of the online observations of hotel activity on Tripadvisor and Facebook.

The table below presents the findings of the online observation in numbers (Tripadvisor rank, number of Tripadvisor reviews and number of Facebook check-ins), including the activity level determined.
from the online analysis. It will function as the basis for the following analysis of the observations. A general analysis of the observations will be performed and selected hotels from the list will be further analyzed.
<table>
<thead>
<tr>
<th>Hotel</th>
<th>TripAdvisor Rank</th>
<th>Number of Reviews</th>
<th>Activity Level</th>
<th>Facebook Check-ins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nimb Hotel</td>
<td>1</td>
<td>137</td>
<td>5</td>
<td>388</td>
</tr>
<tr>
<td>Andersen Hotel Copenhagen</td>
<td>2</td>
<td>291</td>
<td>5X</td>
<td>1,031</td>
</tr>
<tr>
<td>Crowne Plaza Towers</td>
<td>3</td>
<td>812</td>
<td>5X</td>
<td>11,036</td>
</tr>
<tr>
<td>Stay Copenhagen</td>
<td>4</td>
<td>124</td>
<td>4X</td>
<td>4,675</td>
</tr>
<tr>
<td>Sømandshjemmet Bethel</td>
<td>5</td>
<td>324</td>
<td>3</td>
<td>53</td>
</tr>
<tr>
<td>Clarion Collection Hotel Mayfair</td>
<td>6</td>
<td>790</td>
<td>4X</td>
<td>806</td>
</tr>
<tr>
<td>Bertrams Hotel guldsmeden</td>
<td>7</td>
<td>36</td>
<td>3</td>
<td>1,910</td>
</tr>
<tr>
<td>Adina Apartment Hotel</td>
<td>8</td>
<td>540</td>
<td>2</td>
<td>1,876</td>
</tr>
<tr>
<td>Bella Sky Comwell</td>
<td>9</td>
<td>753</td>
<td>2</td>
<td>634</td>
</tr>
<tr>
<td>Axel Hotel Guldsmeden</td>
<td>10</td>
<td>542</td>
<td>4</td>
<td>4,003</td>
</tr>
<tr>
<td>Copenhagen Mariott</td>
<td>11</td>
<td>1,300</td>
<td>4</td>
<td>18,567</td>
</tr>
<tr>
<td>Best Western Hotel City</td>
<td>12</td>
<td>617</td>
<td>4X</td>
<td>383</td>
</tr>
<tr>
<td>Savoy Hotel</td>
<td>13</td>
<td>122</td>
<td>4X</td>
<td>646</td>
</tr>
<tr>
<td>Copenhagen Admiral</td>
<td>14</td>
<td>1,258</td>
<td>4X</td>
<td>12,651</td>
</tr>
<tr>
<td>Hotel Alexandra</td>
<td>15</td>
<td>486</td>
<td>4X</td>
<td>947</td>
</tr>
<tr>
<td>Tivoli Hotel</td>
<td>16</td>
<td>521</td>
<td>5X</td>
<td>8,708</td>
</tr>
<tr>
<td>Charlottehaven</td>
<td>17</td>
<td>12</td>
<td>4</td>
<td>3,959</td>
</tr>
<tr>
<td>Radisson BLU Royal</td>
<td>18</td>
<td>801</td>
<td>4X</td>
<td>8,967</td>
</tr>
<tr>
<td>Best Western Hotel Hebron</td>
<td>19</td>
<td>192</td>
<td>2</td>
<td>580</td>
</tr>
<tr>
<td>Clarion Collection Hotel Neptun</td>
<td>20</td>
<td>510</td>
<td>3</td>
<td>767</td>
</tr>
<tr>
<td>Copenhagen Strand</td>
<td>21</td>
<td>597</td>
<td>3</td>
<td>2,204</td>
</tr>
<tr>
<td>Palace Hotel Copenhagen</td>
<td>22</td>
<td>482</td>
<td>3X</td>
<td>267</td>
</tr>
<tr>
<td>Carlton Hotel Guldsmeden</td>
<td>23</td>
<td>300</td>
<td>3</td>
<td>1,075</td>
</tr>
<tr>
<td>WakeUp Copenhagen</td>
<td>24</td>
<td>964</td>
<td>2</td>
<td>10,665</td>
</tr>
<tr>
<td>Copenhagen Island Hotel</td>
<td>25</td>
<td>717</td>
<td>2</td>
<td>113</td>
</tr>
<tr>
<td>Hotel Kong Arthur</td>
<td>26</td>
<td>712</td>
<td>3X</td>
<td>4,237</td>
</tr>
<tr>
<td>First Hotel Skt. Petri</td>
<td>27</td>
<td>653</td>
<td>4</td>
<td>1,045</td>
</tr>
<tr>
<td>Hotel Christian IV</td>
<td>28</td>
<td>182</td>
<td>4X</td>
<td>373</td>
</tr>
<tr>
<td>Hotel Tiffany</td>
<td>29</td>
<td>127</td>
<td>3</td>
<td>70</td>
</tr>
<tr>
<td>Ibsens Hotel</td>
<td>30</td>
<td>421</td>
<td>3</td>
<td>2,024</td>
</tr>
<tr>
<td>Copenhagen Plaza</td>
<td>31</td>
<td>409</td>
<td>2</td>
<td>1,847</td>
</tr>
<tr>
<td>Scandic Copenhagen</td>
<td>32</td>
<td>202</td>
<td>4X</td>
<td>2,733</td>
</tr>
<tr>
<td>Hotel Du Nord</td>
<td>33</td>
<td>137</td>
<td>2</td>
<td>431</td>
</tr>
<tr>
<td>Hotel Windsor</td>
<td>34</td>
<td>80</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Radisson BLU Scandinavia</td>
<td>35</td>
<td>493</td>
<td>4X</td>
<td>18,271</td>
</tr>
<tr>
<td>Scandic Front</td>
<td>36</td>
<td>269</td>
<td>4X</td>
<td>2,838</td>
</tr>
<tr>
<td>Scandic Webers</td>
<td>37</td>
<td>245</td>
<td>2</td>
<td>1,445</td>
</tr>
<tr>
<td>Gentofte Hotel</td>
<td>38</td>
<td>79</td>
<td>2</td>
<td>1,325</td>
</tr>
<tr>
<td>The Square Copenhagen</td>
<td>39</td>
<td>1,031</td>
<td>2</td>
<td>5,222</td>
</tr>
<tr>
<td>Copenhagen Crown Hotel</td>
<td>40</td>
<td>249</td>
<td>4</td>
<td>36</td>
</tr>
<tr>
<td>Hotel Maritime</td>
<td>41</td>
<td>282</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Absalon Hotel</td>
<td>42</td>
<td>295</td>
<td>4</td>
<td>1,183</td>
</tr>
<tr>
<td>Phoenix Hotel</td>
<td>43</td>
<td>399</td>
<td>2</td>
<td>4,073</td>
</tr>
<tr>
<td>Imperial Hotel</td>
<td>44</td>
<td>464</td>
<td>2</td>
<td>3,340</td>
</tr>
<tr>
<td>Hotel Opera</td>
<td>45</td>
<td>282</td>
<td>2</td>
<td>1,061</td>
</tr>
<tr>
<td>Ascot Apartments</td>
<td>46</td>
<td>169</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>First Hotel Copenhagen</td>
<td>47</td>
<td>106</td>
<td>4</td>
<td>3,923</td>
</tr>
<tr>
<td>Scandic Hotel Sydhavnen</td>
<td>48</td>
<td>221</td>
<td>2</td>
<td>7,140</td>
</tr>
<tr>
<td>Hotel Ansgar</td>
<td>49</td>
<td>272</td>
<td>2</td>
<td>1,285</td>
</tr>
<tr>
<td>First Hotel Twentyseven</td>
<td>50</td>
<td>898</td>
<td>3</td>
<td>1,795</td>
</tr>
</tbody>
</table>
The activity levels from the above table are illustrated in percentages in the diagram below. The most common activity levels are level 2 and 4, which each represent 32 percent, a total of 64 percent. Activity level 3 represents 22 percent while level 5 and 1 represent 8 and 6 percent respectively.

Out of 25 highest ranked hotels, 14 hotels were categorized with levels 4 and 5. From the final 25 hotels, 7 activity levels were categorized as 4 and 5. From this it can be concluded that a significant higher percentage of the top 25 hotels have higher levels of SM activity, compared to the hotels ranked 26-50.

Andersen Hotel has the highest level of activity possible (5X) and is ranked as the second best hotel in Copenhagen on Tripadvisor. The high level of activity as well as the type of activity on Andersen Hotels’ Facebook page may very well indicate a high level of personalized service throughout the hotel experience which may influence the positioning. The activity level of Andersen Hotel includes the activity addition X due to references from their Facebook page to Tripadvisor reviews. Through the interview with their general manager, Karen, she explained how this link is manually set up by hotel management rather than being a direct link to Tripadvisor. This questions the actual activity of the link, but it was decided to add it to the activity level. The traveler rating of Andersen Hotel on Tripadvisor is illustrated below:
Andersen Hotel is also one of the very few hotels from the index which replies to every single review on Tripadvisor. As described above, the reason for this approach is that she feels that she owes it to the guest to spend an equal amount of time replying a review, whether it is good or bad, as the guest has spent writing it. An example of a management review from Karen is presented below:

Karen N, Owner at Andersen Hotel Copenhagen, responded to this review
June 19, 2013
Thank you for a fantastic review.

It sounds like you enjoyed everything about Andersen Hotel and it is especially nice to hear you found the hotel to offer value for money.

It is easy to spend a lot of money in Copenhagen but it is also possible to visit on a budget. The City has a variety of free activities and we try to post free and interesting events on our Facebook. The National Museum has lots to offer for young and old alike (and the lunch restaurant is popular) and the Botanical Garden is a peaceful and romantic place to stroll through.

We look forward to welcome you back to Wonderful Copenhagen

Report response as inappropriate

This response is the subjective opinion of the management representative and not of Tripadvisor LLC.

As described previously, Karen is one of the few managers who reply every single review on Tripadvisor. While the other interview respondents argued that lack of resources was the primary reason for limited activity on Social Media, they all agreed that replying every Tripadvisor review would result in standardized answers and thus failing the purpose of creating personalized communication with the guests. While browsing through the management responses from Andersen Hotel, it is concluded that the reviews are indeed very personal and genuine and far from standardized. In fact, when comparing the management response above to a response from the general manager of Hotel Mayfair, Cecilia, the response seems far more impersonal and standardized (See illustration below), in spite of the fact that Cecilia argued that she only replies to selected reviews in order to avoid standardized answers.
When reviewing management responses on TripAdvisor, it is clear that the responses are often written in a fairly impersonal manner and, in some cases, as a clear tool of defense in the case of a bad review, which jeopardizes the good dialogue as the guest is not able to reply the management response and the hotel management will then get the final word, even if the response is not satisfactory to the guest who wrote the review or potential customers reading the review during their travel planning process.

In regards to the number of Facebook check-ins, there are many perspectives and reasons for the number of check-ins. The most obvious reasons for a high number of check-ins is the size of the hotel (number of rooms) as well as the amount of time the hotel has existed, in both real life and on Facebook. It must be noted that a check-in on Facebook is not equivalent to an actual check-in at the hotel. A person may check-in at the hotel (on Facebook) while just having a drink in the hotel lobby bar, using the spa facilities or restaurant. Once again, Andersen Hotel is standing out, as they have a relatively high number of check-ins (1,031) in spite of their presence of only one year. In comparison, Hotel Mayfair has 806 check-ins and has existed in several years, including on Facebook. When comparing the two hotels, both through online observations as well as through the conducted interviews, it is clear that the high level of activity on Andersen Hotels’ Facebook page is highly motivated by the hotel management through different events and activities at the hotel, which is expanding the target group for Facebook friends and activity. Hotel Mayfair seems to limit the information on their Facebook page to information relevant to previous, current or future hotel guests.

Another very important observation of the Social Media sites of Facebook and TripAdvisor is the involuntary linking between the two sites. When browsing hotel reviews on TripAdvisor while being logged on to Facebook in a different browser, one is continuously presented with information about your friends and their Facebook and TripAdvisor activity. An example of this, is when searching for hotels in Copenhagen (or any other city) on TripAdvisor, suggestions are made based on your friends activity, such as “likes” and check-ins on Facebook or reviews written by friends (or friends’ friends) on TripAdvisor.
The sections above have described selected data from the conducted interviews with hotel managers as well the online observation of the hotels activity on Social Media sites. The following section will present a further analysis of the technological acceptance of the data retrieved.

5.4. ANALYSIS OF THE FINDINGS BASED ON THE STAM

The previous sections have presented the findings of the interviews as well as the online observations. In the theoretical framework, the original Technology Acceptance Model (TAM) was modified into the Social Technology Acceptance Model in order to create a theoretical platform for the investigation of Social Media usage and acceptance. This section will apply the empirical findings above to the STAM.

As previously described, social CRM is very interaction driven and it is therefore these interactions that are being presented and analyzed, based on the five determiners of the STAM. The five determinants represent the factors influencing the acceptance of social CRM and will form the structure of the analysis as presented below.

5.4.1. WEB 2.0

Through the online observations, it is obvious that many hotel managers are pursuing the interaction with guests and potential customers through the technologies of social media in order to utilize the opportunities and benefits of the Groundswell and Web 2.0 applications. Apart from the hotels already described in the previous section, The NIMB Hotel, Hotel STAY Copenhagen, Copenhagen Marriott and Tivoli Hotel are examples of hotels which are utilizing social media on a high level. Their activity levels are determined as 5, 4, 4 and 5X respectively. The information posted on their Facebook pages is not limited to guest information only. These hotels are clearly expanding their target groups (for their Facebook pages only, not necessarily for the hotel itself) through advertising for current and future events taking place at the hotels as well as posting different types of links to other events in Copenhagen, restaurants, sights and attractions. Many of these hotels are also part of bigger corporations, such as NIMB Hotel and Tivoli Hotel, which are both part of the Tivoli Company; however, as two very differently branded hotels. Using NIMB Hotel as an example, they have incorporated many important elements into their Facebook posts and it is obvious that they have a clear strategy. The information posted on their page is very professional and includes many different aspects of the NIMB Company, all in a very positive manner. With almost every post, a picture is
attached, which very often includes pictures of employees from either the hotel or restaurant in order to create a familiar feeling for the reader. Pictures seem to be taken by a professional. They also post recommendations of their own products, by linking to the official publishing of the recommendation. It is, however, worth noticing, that all posts on NIMB’s Facebook page is in Danish, thus limiting the target group to Danes only. This is an interesting fact, as NIMB would be considered a highly international forum in regards to the hotel and its included restaurants, etc. The case is very similar for the Marriott Hotel, which seems to have similarly professional approach through the personal posts. The posts on Marriott’s page is a combination of English and Danish, thus aiming for a wider target group; however, one may argue that a combination of languages may seem like a frustration to English speaking “likers” of the page as they are only able to understand every second post. Hotel STAY Copenhagen is also similar to NIMB and Tivoli Hotel in their types of post and level of activity; however, the quality of the posts, including photos and text, seems less professional. The less professional photos may have the effect of higher familiarity as professional photos may have the effect of creating a distance between the company and customer. However, many of the photos seem to neglect the design standards of the hotel. STAY Copenhagen only posts in English. Finally, STAY Copenhagen is one of the hotels in Copenhagen that has the most Facebook check-ins, along with Andersen Hotel, according to their relatively short time in the market. This is most likely due to the fact that they are a popular venue for all types of events, which results in people checking in at the hotel on Facebook while attending the event. In regards to online activity on Tripadvisor, the approach seems similar to all of the above mentioned hotels; the hotels replies to none or very few of the Tripadvisor reviews.

Some of the hotels with the activity level 2 are Bella Sky Comwell, Best Western Hotel Hebron, Hotel Wake Up Copenhagen, Copenhagen Plaza and Imperial Hotel. The activity level 2 is defined as the hotels being visible on Tripadvisor and Facebook but with no activity. The hotels do have a Facebook page; however, the page is different from the pages of the hotels with higher activity levels. Level 2 hotels have a simple Facebook page with basic contact information as well as number of check-ins and “likes”. The hotels do not publish their own posts, but people may write a recommendation or “like” the site. Places nearby are also suggested (by Facebook and not the hotel). Imperial Hotel has two different sites, both with the activity level 2, as it also includes a cinema. When browsing the pages, it is not clear why there are two different sites, as the information on the two sites overlap each other. Best Western Hotel Hebron also has a very simple page with no activity. As previously mentioned, this analysis does not include the factors of hotel chains or relations; however, it is worth noticing that Best Western Hotel City has a very active Facebook. This clearly indicates individual preferences between
the hotels regardless of their chain relations. Hotel Wake Up has a very high number of check-ins of their Facebook page in spite of its simplicity and low activity level. This high number of check-ins indicates that if the hotel had a more active Facebook page, a lot of people would probably “like” it and actively participate in the information sharing on the page.

The information sharing, networking and active participation on the Hotels Facebook pages clearly creates a bond between the hotels and their Facebook friends and “likers”, thus influencing the perceived usefulness of Facebook as a motivational factor for successful social CRM. If a hotel can utilize their Facebook page to communicate and create familiar bonds with the guests and potential customers in an efficient manner, it would also influence the perceived ease of use, as the communication on Facebook could compensate for e-mails or phone calls with the same questions, requests or comments. The level of Perceived Usefulness and Perceived Ease Of Use depends on the activity levels of the Facebook pages as well as the resources spent on this activity. Generally, the Web 2.0 tools of Tripadvisor and Facebook in particular has great potential for developing familiarity and care as well as motivating information sharing. The utilization of this potential has shown to differ greatly between the different hotels. Along with the level of activity, type of activity and professionalism of the posts, the strategies and approaches also differs greatly between the hotel. Very few of the hotels, except Andersen Hotel and NIMB Hotel, seem to be consistent in their posts and thus jeopardizing the potential of a positive influence on PU and PEOU.

5.4.2. FAMILIARITY

As described above, Web 2.0 is considered a valuable tool in creating familiar bonds with the guests and other Facebook friends and “likers”. Through networking on social media sites, such as Facebook, the hotels are able to take the relationships with the guests and customers to the next level; a level where products and services are discussed and perhaps purchased or booked in a personal and friendly manner.

Through the online observations, it was very obvious that most of the hotels, regardless of their activity level, created familiar bonds with especially former guests at the hotel. Many cases of guests thanking the hotel and its employees for good service or other positive feedback were found. Some examples of positive and familiar feedback from guests are illustrated below, selected from the Facebook pages of Andersen Hotel, Marriott Copenhagen and Best Western Hotel City.
It is not only the guest comment which is written in a familiar manner, but also the hotel reply seems genuine, personal and caring. While performing the online observations on Facebook, no negative feedback was found on the hotels' Facebook pages. Tripadvisor, on the other hand, is clearly a channel of both negative and positive feedback about guest experiences.

As previously mentioned, when logged on to Facebook while browsing hotel reviews on Tripadvisor, one is presented with friends activity related to the different hotels. This is considered a relatively intelligent type of linking between two separate websites, which promotes the sense of familiarity through your friends’ activity as it creates an interest as well as a sense of trust. It must also be considered that Tripadvisor only allows one response per review, which the guest (or any one else) is not able to comment on. The fact that it is called a management response also indicates that communication is limited to including guests and management with no access for hotel employees (other than management) which limits the creation of familiarity on Tripadvisor.
The chances of developing familiarity is thus higher on Facebook than it is on Tripadvisor as the Facebook page of a hotel represents the entire hotel, including all employees, whereas Tripadvisor only represent the hotel management. The positive feedback and information posted on Facebook also makes it easier to promote familiarity compared to the (often) negative feedback on Tripadvisor. As Tripadvisor only allows one response per review, the depth of the communication is rarely very deep and in case of a standardized reply from the hotel management, the guest may not feel recognized.

Through the conducted interviews, the hotel managers expressed very different attitudes towards Tripadvisor. All the interview respondents agreed that Tripadvisor could be considered a threat if not handled properly. Thomas was very clear in his statement about Tripadvisor being a very powerful and a very big threat whereas Karen and Cecilia argued that the threats of Tripadvisor can be eliminated or reduced by handling a negative review through a proper management response. Thomas mentioned an incident from his time at Hotel Mayfair, where a review on Tripadvisor had functioned as a direct and personal attack of one of the employees. Thomas had then contacted Tripadvisor who had refused to remove the review. As previously mentioned, many of the management responses on Tripadvisor seem standardized and impersonal which may have the opposite effect of creating familiarity.

5.4.3. CARE

Familiarity and care are two closely related factors. In order for a genuine bond between a hotel and the guests and customers, the hotel must demonstrate caring behavior in their communication. The illustrations in the previous section are excellent examples of the hotels demonstrating caring behavior by thanking the guests for the comments and welcoming them back to the hotel. This type of caring behavior creates familiarity and motivates trust and further information sharing, which will be further elaborated on in the following section.

Through the online observations as well as the conducted interviews, it was found that the informality of the communication on Facebook in particular had a positive influence on the demonstration of caring behavior towards guests. The familiarity and informality seemed to motivate positive and honest behavior from both the hotels and the guests and customers. Guest comments, such as “You are great” is replied with the comment “So are you”, which can be categorized as very positive, honest and caring. This type of caring communication with one guest then motivates other guests to share information, such as a good review, a simple ‘thank you’ or even a request or question regarding a (potential) future stay at the hotel. When using the resources to post and reply on Tripadvisor and Facebook, it must be
assumed that the employees (management or non-management) are using the resources in order to compensate for resources spent elsewhere. If a question is answered on Facebook, it must be assumed that the person answering the question would have spent time answering the same question at another time, either when the guest is checking in to the hotel or in case the guest calls or e-mails the hotel. This assumption is supported while browsing the Facebook pages and management responses on TripAdvisor. However, through the interviews, three out of four of the respondents argued that with their current activity level on Social Media, they do not feel that the resources spent sharing information is compensated for. They do, however, all recognize the opportunity for Social Media to replace current information channels, such as telephones and e-mails in the future.

5.4.4. INFORMATION SHARING

The key to any good relationship is open communication. The channel of communication, which in this case is the Social Media sites of TripAdvisor and Facebook, must be open for two-way communication. Two-way communication and dialogue is the key element of Social Media; however, the motivation for information sharing on these sites is based on the establishment of trust, care and familiarity. Information can always be shared, but the amount and type of information depends on the trust in the relationship. Through the online observations, most of the information shared by the guests and customers on Facebook is relatively basic information, such as a ‘thank you for a pleasant stay’ or a simple question of the opening hours for the breakfast buffet, etc. The reason for this simplicity may be found in the issue of security. Most people are aware of the security issues of all online communication which results in certain limits of the personal information shared. When looking at the management responses on TripAdvisor, most of the hotels use more or less standardized answers or at least keep the response on an objective level. The original review by the guests, however, seems to be more freely communicated, including both positive and often negative aspects. From this it may seem that, even though one must create a public profile on TripAdvisor in order to post reviews, this profile is not directly associated with the person behind it such as in the case of Facebook where ones profile is a string representation of a person. This seems to have a strong influence on the type of information shared on the two SM sites. When a person can “hide” behind a profile, the information shared is very different and often more honest than when the information shared is directly associated with the person behind the profile.
Some hotels encourage guests to “like” the hotels’ Facebook page after or during their stay; however, in many cases, the management mostly encourages its employees and their Facebook friends to “like” the page rather than the actual guests and (potential) customers. This often results in “likes” of a page or posts only by employees and their friends. While this still encourages familiarity and caring behavior, it does not necessarily encourage successful social CRM, as the actual (potential) customers are not included in the communication.

5.4.5. PERCEIVED TRUSTWORTHINESS

As mentioned above, familiarity and trust are closely related. When caring behavior and familiarity is established it creates a foundation for the development of trust. Information sharing also has a great influence on the perceived trustworthiness, as communication and participation are key elements of a trustful relationship.

Through the interviews it was observed, that the level of trust varied between the respondents. Karen from Andersen Hotel explained how she believed that all types of information can be shared, by anyone in the organization; however, under supervision and in accordance with the guidelines from the management. She also underlined that any possible threat can be eliminated or limited through a proper dialogue. It is therefore important for hotels to find the balance of information sharing both on the Facebook pages and on TripAdvisor. The level of activity must also correspond to the level of response.

If a hotel’s Facebook page is relatively inactive, the hotel should not select certain information and reply to this. This also applies to TripAdvisor. The hotels must be aware that selecting and responding to only selected reviews may result in limited trust as the information will not seem honest or professional. Instead, it may seem as if a hotel management communicates only with positive reviews and posts or if thoroughly provoked by a bad review or post. By establishing a balance of information sharing, guests and customers will most likely see this balance as professional and caring, which may lead to familiarity, which then leads to trust. An establishment of these elements may then have a positive influence on the perceived usefulness and perceived ease of use of Social Media as a strategy for implementing social CRM.
5.4.6. PERCEIVED USEFULNESS & PERCEIVED EASE OF USE

The relations between the five elements of the STAM have been discussed above. The elements all have some level of influence on each other as well as on the PU and PEOU. Through the interviews conducted there was a clear attitude among all respondents that PU had higher importance than the PEOU. Even though two of the respondents (Thomas and Charlotte) did not feel confident in technically implementing and maintaining Social Media sites, all four respondents agreed that if the resources spent on the implementation and maintenance would compensate for resources spent elsewhere, it would be worth the time and effort. Whether or not these resources were available at this time, was very different from each respondent as well. Whether or not the respondents felt that introducing Social Media to their current CRM program is relevant at this time, they all agreed that the (possible) technical difficulties would not be significant as long as the resources would be compensated for. Thus, it can be concluded that PU has more influence on the hotel managers than the PEOU.

5.4.7. ATTITUDE TOWARDS USE & ADOPTION INTENTION

It is important to understand the relations between the different elements as well as their relations to PU and PEOU. None of these elements can stand alone, but a low level of trust or caring behavior will most likely result in a negative attitude towards social CRM usage. Cases of negative attitudes towards using Social Media as an integrated part of a social CRM strategy are seen in the answers of the interview respondents as well as through the online observations. Inactive Facebook pages are similar to a negative attitude towards social CRM adoption. Lack of management responses may also be seen as a negative attitude.

The reason for inactivity on some Facebook pages may be due to the fact that the hotel managers share the attitude of the respondents; either the perceived usefulness is not high enough; the perceived ease of use is not high enough or both PU and PEOU is high enough but resources are not enough. If based on a generalization of the interviews, the main reason for the cases of negative attitude toward using social CRM, would be the lack of resources combined with a current low level of PU.
5.5. DISCUSSION OF FINDINGS

The section will discuss the findings of the above analysis of the interviews and online observations based on the STAM. Additionally, the proposed hypotheses will be confirmed or rejected based on the findings of the analysis.

The analysis was performed based on the STAM to determine the effect of Web 2.0 and related factors on the acceptance of social CRM. Through the analysis, it was clear that the attitude towards social CRM and Social Media in general is much differentiated in the hotel industry and among hotel managers. Managers may agree upon factors such as the need for sufficient resources and the possible benefits and opportunities of Social Media; however, the opinion of how many resources that are sufficient as well as the level of opportunities available from Social Media differs greatly between each of the interview respondents. Two managers may be using Social Media to a similar extend, while one manager may finds it sufficient and the other manager insufficient. In regards to the technological acceptance of Social Media, attitudes also differed greatly. While some interview respondents felt confident in the implementation and maintenance of a Social Media site such as Facebook, others did not. This difference in attitude towards the technological acceptance of Social Media is found to be due to different idea of the levels of technological opportunities rather than the actual technological abilities of the managers. Also, the online observations proved that a higher percentage of the 25 highest ranked had higher activity levels than the lower rated hotels. Whether or not the activity level is a direct influence on the rating is a complex matter. Based on the online observations in particular, this thesis argues that if the activity level is both high and familiar and caring, it has some influence on the customer relations and is thus more likely to receive positive reviews and a higher rank on Tripadvisor.

The five factors of influence on the technological acceptance of social CRM were analyzed above. Through the analysis it became clear, that none of these factors can stand alone in any way, as they will always intertwine and influence each other. Without the influence of familiarity and care, Web 2.0 tools would be without influence on social CRM, as it would just be another channel of simple information rather than a dialogue motivation relationship. Without trust and care, information sharing would be kept to a minimum, thus influencing the Perceived Usefulness of Social Media as a tool for enhanced and successful social CRM. Through both the STAM analysis it was found that the PU had a much stronger influence of the acceptance of social CRM than the PEOU. However; PU and PEOU are also dependent factors as they will always both exist on some level when analyzing the influencing factors of the acceptance of social CRM. Through both the interviews and the online observations it was found that both Perceived Usefulness and Perceived Ease Of Use had a positive influence on the attitude
towards adopting social media in the CRM. In other words, hotel managers did not mind using resources on learning a new technology if the outcome of the technology would prove to be useful in their daily routines. The level of PU and PEOU differed greatly between the interview respondents and the different activity levels online also indicates a varied attitude towards the acceptance of social CRM. This is found to be due to the different understandings of social media and its’ (technical) opportunities and challenges rather than an actual different attitude towards the same subject. This may very well be due to the recent introduction of Social Media and the lack of experience within social CRM. Based on the analysis above as well as this discussion, the following section will discuss and confirm or reject the proposed hypotheses.

5.6. DISCUSSION OF HYPOTHESES

Based on the previous literature review and theoretical framework, four hypotheses were developed in order to support the research questions. These hypotheses will now be confirmed or rejected based on the above analysis.

The first hypothesis declares that an understanding of the Groundswell creates a foundation for a successful implementation of social CRM. As described above, the attitude towards Web 2.0, including social media, varies greatly in the hotel industry. This difference in attitude is most likely a difference in the understanding of what Web 2.0 and the Groundswell are, including its opportunities and challenges. The inexperience of social media utilization has resulted in various definitions and attitudes towards social CRM, depending on the definition used by the hotels and its’ managers. Thus, the first hypothesis is confirmed; however, recognizing that the actual understanding of the Groundswell differs from each person.

The second hypothesis declares that defining social CRM as a philosophy, strategy or tool minimizes the challenges of implementing social CRM. As described above, the definition of Social Media differs greatly which results in difficulties in the decision of implementing Social Media on a certain level. The analysis has showed that a clear social CRM definition results in higher utilization and benefits from Social Media, which confirms the hypotheses. It must, however, be noted that many hotels would need to understand and define Social Media and the Groundswell before being able to define the approach as a philosophy, strategy or tool.
The third hypothesis declares that caring behavior has a positive influence on the perceived trustworthiness when then has a positive influence on the attitude towards accepting social CRM. The fourth hypothesis claims that PU has a stronger influence on the acceptance of social CRM than the PEOU. The relations between the different factors of the STAM, as well as their influence on the attitude towards accepting social CRM, have been discussed above from which it can be concluded that hypotheses three and four are confirmed.

The confirmation of the four hypotheses above indicates a correlation between the existing literature and theory on social CRM and this analysis. Based on the confirmation of the above hypotheses and the conducted analysis, the following chapter will present a proposed framework for implementation of Social Media in the Customer Relations strategy for hotel management.

5.7. FRAMEWORK FOR SUCCESSFUL IMPLEMENTATION OF SOCIAL CRM IN THE DANISH HOTEL INDUSTRY

The above literature review and analysis has presented the opportunities, threats and challenges of implementing Social Media in CRM. Based on this, this chapter will propose a framework for successful implementation of social CRM in the Danish hotels.

First and foremost, one must pursue to understand the new technological era, including Web 2.0. As a part of the understanding of the new era, the challenges and opportunities of Social Media must be investigated. Along with this investigation, the essence of traditional CRM must also be understood. Depending on the level of implementation, it may be considered to contact professional consultants in order to optimize the understanding of the different elements of Social Media as well the technological opportunities. While understanding the challenges and opportunities, it must be defined whether Social Media should be implemented as a company philosophy, strategy or a technical tool. Once this decision has been made, the actual implementation process may be initiated. The literature review contains selected approaches and processes which may function as inspiration or structure of the implementation. Whether these approaches are used or not, it is crucially important to perform a readiness assessment in order to determine whether or not the hotel is ready to adopt Social Media in the existing CRM and which level of implementation that should be decided. For more detailed information on readiness assessment and implementation process, please refer to the literature review.
After the decision of the implementation level and approach, the hotel management should select the Social Media sites that they wish to utilize and study the different technical opportunities of the sites. The number of Social Media sites is endless and the management should select the ones with most potential to reaching their current and potential guests and customers. This thesis proposes Facebook and Tripadvisor as the primary sites for hotels located in Denmark. While setting up or maintaining the site(s), the features of user-generated content should be studied and understood in order to meet the expectations and prepare for the challenges included in the implementation of social CRM. A deeper investigation of the role of user-generated content in tourist planning behavior may motivate for further marketing initiatives on the UGC sites.

Finally, hotel management should study the factors of technological acceptance of Social Media or at least be aware of them. As proposed in this thesis, the relations between the different factors included in the theoretical framework are independent and an understanding of these relations will create higher confidence in implementing and maintaining Social Media sites.
6. CONCLUSION

While the new technology era have offered a wide range of new possibilities for companies to interact with their customers, it has also brought the challenges of meeting customer expectations to a new level. With the introduction of Social Media, both possibilities and challenges have been enhanced and the need for solutions has increased. In order to contribute to the establishment of these solutions, this thesis set out to investigate how Danish hotel can integrate Social Media in order to improve their customer relations. In order to support this investigation, three research questions were developed. This chapter will conclude on the findings of the thesis and answer the research questions and problem statement.

As the scientific approach to this thesis is based on the hermeneutic paradigm, the conclusions of the thesis have been reached by a continuous interpretation and questioning of the findings. The inductive reasoning approach has influenced the empirical research through the nature of discovery, thus allowing the creation of new knowledge and perspectives.

The initial part of the empirical research for this thesis consisted of a comprehensive literature review which established an understanding of the traditional strategies of Customer Relations Management and Social Media as well as the new perspective of social CRM. The literature review illustrated the need for an integrated approach of implementation of Social Media in CRM and concluded that the main reason for unsuccessful implementation is the lack of understanding of the essence of relationships as well as the technological revolution, known as the Groundswell. Subsequently, the theoretical framework was presented. The theory chosen for the analysis was the framework of technology acceptance. The empirical analysis of the thesis was thus built around the Technology Acceptance Model by Davis (1989), including the additional determiners of Web 2.0, Familiarity, Care, Information Sharing and Perceived Trustworthiness as suggested by Askool & Nakata (2011). This contemporary version of the model was referred to as the Social Technology Acceptance Model (STAM) and created a theoretical foundation for the analysis of the acceptance of Social Media, including the analysis of the internal relations between the determiners as well as their relations to the Perceived Usefulness and Perceived Ease Of Use. Based on the literature review and the theoretical framework, four hypotheses were developed in order to select and illustrate the most relevant issues detected and analyzed. All of the four hypotheses were confirmed, which indicates a correlation between the existing literature and theory and the findings of this study. For more information of the confirmation of the hypotheses, please see section 5.6.
The second part of the thesis consisted of the analysis of the empirical data collected. The empirical data was collected through interviews with hotel managers as well as online observations of Social Media Activity on Facebook and Tripadvisor. The empirical data revealed some interesting perspectives on the acceptance of Social Media implementation in CRM.

Initially, the online observations revealed that the extent to which Social Media has been adopted by the hotels of Copenhagen is very diverse. While some hotels have adopted the use of Social Media to a great extent, others have very little activity on the Social Media sites. The data collected through the interviews revealed that the reason for this diversity in activity levels is due to the lack of understanding of the technological advances of Social Media. Also, the differentiated conception of the sufficiency of resources among the managers was found to highly influence the activity levels. Both the interviews and the online observations revealed that the attitude towards the technological acceptance of Social Media was very diverse. The reason for this diversity was found to be due to differentiated conceptions of the technological challenges and opportunities of Social Media rather than the actual technological capabilities of the managers.

Secondly, the analysis of the thesis confirmed the shift of power to the customers which represents several threats and challenges for companies whether or not they participate in the social dialogue. The biggest challenge of Social Media is the involuntariness which is found to make some hotel managers give up in advance rather than pursuing the successful integration of Social Media. Through the empirical research it was found that while Facebook represents both opportunities and challenges, Tripadvisor is seen mainly as a threat. The online observations proved that the information shared on Facebook, both by hotels and customers, tended to be positive information while all the negative information could be found on Tripadvisor in the shape of consumer reviews. User-generated content, including consumer reviews, proved to be a big threat to the hospitality industry; however, the analysis of this thesis found that correct management of the Social Media sites may turn these threats into opportunities by using the sites to respond to the information shared by the customers in a caring and familiar way which then establishes improved relations with the customers. The interaction between hotels and their customers is widely used on Facebook, while the consumer reviews on Tripadvisor are rarely responded to, thus accepting the threats of the reviews rather than treating them. It can thus be concluded that there is a long way to go for the insecurity of Social Media to be treated.

Finally, based on these findings above it was thus concluded that the insecurity about Social Media is due to the lack of a common definition of Social Media, including the specific technological advances and challenges as well as the lack of a common level of expected resources needed for successful
implementation and maintenance of a Social Media site or application. While there is an obvious interest in the opportunities of Social Media in the Danish hotel industry, many hotel managers seem to make the common mistake of viewing Social Media as a technological tool rather than integrating it in a strategy which includes guidelines for both the utilization of the opportunities as well as the treating of threats and challenges. Thus, in order for Danish hotels to successfully implement Social Media in order to improve their customer relations, the level of implementation must be defined in order to define the guidelines of an appropriate strategy. This strategy must acknowledge that social CRM is driven by interaction and dialogue and that it is the social relations between the hotels and its customers which must be established and maintained in order to benefit from the social aspect of the technological revolution.
7. FURTHER RESEARCH

This thesis has provided insight on how Social Media could optimize the customer relations between Danish hotels and their customers. As the hypotheses of the thesis are all confirmed, it indicates a correlation between the findings of this thesis and the existing literature and theory on the social aspect of CRM. This correlation includes the inexperience of Social Media and the insecurity of the implementation in a CRM strategy. The conclusions of this thesis should thus function as an eye-opener for managers in the Danish hotel industry who may find both inspiration as well as managerial advice in the thesis. While the purpose of this thesis is to motivate for a deeper understanding of social CRM, it should also be considered as motivation for further research. Some possible perspectives on further research are described below.

The initial methodological decision of this thesis was to base the empirical research on a qualitative approach, including interviews and online observations. While this is found to be an appropriate approach for retrieving the data needed for analysis for this thesis, the quantitative approach of an online survey may have added value by the possibility of a wider range of respondents. A more quantitative approach may also include the possibility of including factors such as age and gender to the analysis, which could add value to the study. It must, however, be noted that a quantitative approach, including a large number of respondents from hotel management, would demand a high level of resources and voluntariness of hotels.

While the empirical research of this thesis have been constructed as a case study, the interviews were used to support and add to the findings of the online observations, using selected hotels as examples rather than actual cases. In order to further test the findings of this thesis, it could be interesting to establish specific hotel cases where the proposed framework of Social Media implementation would be tested throughout the entire implementation process. This would of course include the voluntariness of one or several hotels.

Finally, as described in this thesis, the social aspect of CRM is very interaction-driven rather than sales-driven. It is thus the relations between companies and customers which are the primary focus. However, while an implementation of Social Media may positively influence these relations, it may also have an influence on the sales of a company. It could therefore be interesting to investigate the influence of Social Media implementation from a sales perspective. However, while the possible perspectives above may still be based on the theory of technology acceptance, a sales-driven
perspective may challenge this choice of theory and a different or additional theoretical framework would be needed.
8. REFERENCES


An Analysis of Social Media in Customer Relations in the Danish Hotel Industry


WEBISTES USED FOR ONLINE OBSERVATIONS:

www.facebook.com

www.horesta.dk

www.tripadvisor.com

www.visitdenmark.dk

LECTURES ATTENTED FOR RESEARCH PURPOSES:

Kundeservice på nettet (Online Customer Service)

February 26th, 2013

Lecturer: Jacob Lego Boye, E-business Manager, Telenor (www.markedsforing.dk)
Content Marketing on Social Media

March 18th, 2013

Lecturer: Jesper Balslev, Communication Designer (www.jesperbalslev.dk)

Professionel Kommunikation på Sociale Medier (Professional Communication on Social Media)

March 27th, 2013

Lecturer: Christian Buch Iversen, Social Media Consultant (www.christianbuch.dk)
APPENDIX 1

Interview Guide – Hotel Management

Name:
Hotel:
Title/position:

TRADITIONAL CRM VS. SOCIAL MEDIA:

(Explain CRM and make sure the interview respondent understands the concept)

➢ Which channels have you previously used for traditional CRM, before the introduction of social media (Databases, Loyalty programs, etc.)?

➢ To which extent are you using social media in regards to CRM today?

➢ Which channels/websites/applications are you using, if any?

➢ What is your reason for choosing these channels?

➢ Do you think that being visible on social sites such as TripAdvisor and Facebook influences the relationship between hotels and guests? Explain?

ATTITUDE TOWARDS SOCIAL MEDIA:

➢ Regardless of your adaptation of social media, how much potential do you think social media has as a channel for improved relationships between hotels and customers now and in the future?

➢ If we think of social media as a channel of two-way communication between hotels and guests/potential customers, do you find it more of a threat or opportunity?
ATTITUDE TOWARDS THE TECHNOLOGICAL ACCEPTANCE OF SOCIAL MEDIA:

- Do you feel uncertain about implementing and integrating social media in your CRM strategy?
- If uncertain, what are the reasons for this?
- If not, what makes it simple to use?
- If you use Social Media for a task, does it compensate for the task done?
- Do you find Social Media as an useful tool?

ATTITUDE TOWARDS THE FUTURE USE OF SOCIAL MEDIA & RESOURCES:

- In your opinion, how many resources should be used for implementing and maintaining social media? Why?
- Are you using sufficient resource on Social Media? If not, why?
APPENDIX 2.A.

Interview Abstract

Thomas Bagger, Hotel Manager
Clarion Collection Hotel Mayfair
Interviewed 09.06.2013

In regards to traditional CRM, Thomas referred to the internal loyalty programs as the primary CRM channels. He did not feel that social media has taken over the traditional channels of CRM. Thomas’ attitude towards social media was very positive in many ways; however, he did not feel that Hotel Mayfair utilized social media enough, as there are not enough resources. When asked about how many resources he found appropriate for a hotel like Mayfair, a relatively small hotel with 106 rooms, his answer was that it would at least acquire a part time employee whose’ focus would be only on SM and the implementation and maintenance of this. He also mentioned the option of hiring an external company for this job. Thomas sees social media not only as a great opportunity, but a must for all types of companies in the future. He argued that a company should only start using social media, if they are ready to go all the way and offer all types of services through the sites. He argued that if the resources were used, it would soon pay off by easing the work of other departments, such as the booking department, reception and concierge as well as generate sale. He also argues that if utilized correctly, SM activity would eventually create more sales and positive feedback about the hotel and that it would in many ways be worth the investment. In spite of his positive attitude toward SM and the value of SM investments, he did not find that it was possible, at this time, to find the resources to utilize SM for Hotel Mayfair. He argues that to start using social media, is to open Pandoras Box and there will be no way back and therefore a hotel should not implement SM unless they are prepared to go all the way and utilize all aspects of SM.

In regards to Tripadvisor, Thomas found it more of a threat than an opportunity as he feel that the site has too much power and it is hard for hotel management to communicate with previous and potential guests. Hotel Mayfair has had some issues with the site where the review of the hotel had included personal attacks of employees and when contacting Tripadvisor in order to remove the review, it was not possible. Facebook, on the other, he finds a great opportunity for hotels to communicate with guests if the resources are available. Even though he sees Tripadvisor as a threat in many ways, he also admits that Tripadvisor is one of the reasons why Mayfair is doing so well, as they have been Top 5 the last couple of years.

Thomas mentions that he is aware of the many technical opportunities of Facebook and other social media sites but is not prepared to be the one who utilizes these opportunities, even though he realizes their advances in the long term. Once again he mentions the possibility of hiring a professional company if the resources are available.
APPENDIX 2.B.

Interview Abstract

Charlotte Toft, Hotel Manager

Quality Airport Hotel Dan

Interviewed 09.06.2013

(When asked for permission to include her profile in the thesis, she needed approval from the general manager. This permission was given the next day on the phone).

When asked about which traditional CRM the hotel used, she referred to internal loyalty programs, which is still the primary channel for CRM. In regards to SM, she listed Facebook, Tripadvisor, Instagram and (later on) Twitter as the sites that they are using. In spite of the many sites used, she does not see the activity level as very high. She mentions that all hotels within the Choice Hotel Chain regularly received guidelines and tips to using SM, but only on a very basic level. She has been planning to answer all Tripadvisor reviews, but has not yet found time to do it. She mentions that the hotel has its own internal review system called Loopon, which is the primary channel for customer satisfaction and she does not feel that, at this point, Facebook or Tripadvisor can take over this function. She sees many opportunities in social media, but argues that the need for SM activity depends on the clientele of the hotel. As an airport hotel, many of their guests are “one-timers” and SM activity will make no difference.

Technically, she finds Tripadvisor complicated to use and the guidelines are misleading and not trustworthy. She finds Facebook as a fun and amusing application, but not a serious tool to either generate sales or customer satisfaction. She does not feel ready to use it. Instead, the hotel has hired a company to update and maintain their Facebook site in accordance to the guideline of Choice. They have done this only because they feel that they have to live up to the expectation of the hotel chain management. If she was offered a technical introduction to the set-up and maintainance of Facebook, she would like to use it more, but does not think that she can find the resources at this point.

The hotel ranking on Tripadvisor is relatively low. Charlotte does not think that SM activity has any influence on this placement. Charlotte has explored many Facebook sites of other hotels in order to see how they do and how they use it.

Throughout the interview, it was a clear attitude from Charlotte, that she did not see their activity level on SM as very high. In spite of this attitude, she mentioned recent activity, such as uploading pictures on Instagram and hiring a company to update their Facebook site.
APPENDIX 2.C.

Interview Abstract

Karen Nedergaard, General Manager
Andersen Hotel Copenhagen & Hotel Absalon
Interviewed 22.06.2013

Karen is the general manager for two hotels in Copenhagen, Andersen Hotel and Hotel Absalon. The two hotels are very different in concept and style and the SM activity for the two hotels is very different. These differences are outlined in the interview. Karen was contacted as their activity level on Facebook was very high as well as their ranking on Tripadvisor.

Karen is solely responsible for the SM activity for both hotels. She enjoys updating Facebook and uses about 15 minutes per day on SM activity. She experiences a lot of feedback and activity from Facebook friends. Their Facebook friends include all types of people, including people from Copenhagen who use the hotel to participate in their events, and not necessarily stay at the hotel overnight. She creates different links between Facebook and Tripadvisor when possible, such as links to booking sites or review sites. In regards to Andersen Hotel, they are very active on Twitter and Instagram as well. Hotel Absalon has a Twitter account, but it is very inactive. Karen argues that they try to be where their customers are.

She finds it very easy and simple to use SM and calls it “idiot proof”. She mentions that they include all types of activity on their Facebook sites, ranging from event invitations, competitions and restaurant recommendations.

Karen has a colleague who helps her with the maintenance of their SM. They also include all employees in the activity and encourage them to upload pictures and make restaurant recommendations, etc. She finds it appropriate that it is the general manager who is responsible of the SM activity. She does, however, mention that one must be interested in SM in order to use this amount of time and resources. She argues that if you use SM, go all the way and use all the resources available.

In general, she finds SM more of an opportunity than a threat. She and her colleague have taken several courses in how to handle so called “shit-storms” and other negative feedback. She feels that she owes it to the guests to spend the same amount of time replying a review that a guest has spent writing it, whether it is positive or negative. Once again, she underlines that to use SM on a level with high and constant activity, the person or people in charge must have natural interest in order for it to be successful.
APPENDIX 2.D.

Interview Abstract

Cecilia Mauritzon, General Manager
Clarion Collection Hotel Mayfair
Interviewed 22.06.2013

Cecilia initially stated that she primarily uses Facebook as a SM application. She also replies to TripAdvisor reviews, however, only due to the guidelines of the company (Choice Hotels). She limits the responses to the reviews she finds important and mostly negative reviews. She is very focused on avoiding standard replies.

Cecilia recently participated in a social media workshop through Choice Hotels. She also mentions that all managers often receive tips and guidelines from the main office where they have a person responsible only for social media and guidance of hotel managers in this. She does her best to utilize Facebook as much as she find appropriate. She uses about five minutes per day on Facebook, with a simple post or similar activity. She uses only 5-10 minutes on replying TripAdvisor a week. She feels that she is using Facebook and utilizing the opportunities. She realizes that more can be done or other sites can be used, such as Instagram, but is not using this at the moment.

She sees social media as an opportunity and not as a threat. She appreciates the dialogue of social media and believes that the opportunity of replying limits the threat of SM. She also appreciates the possibility to understand the weaknesses of the hotel through SM, such as negative reviews.

She does not believe that Facebook generates sale, while TripAdvisor plays an important role in the decision making for the guests. They are constantly working on getting more friends/likes on Facebook. She encourages other employees in the hotel management to suggest their friends to like the hotel on Facebook.

Recently an application has been developed for Hotel Mayfair. The app was developed by an employee from another hotel (without payment). The app allows users to see pictures of the hotel, see restaurant recommendations, see the bar menu and other information. She will not invest money in any future development. Cecilia finds it reasonable that it is the hotel management who handles the SM activity; however, she encourages all employees to participate as well; however in a controlled environment. She feels that she is using an appropriate amount of resources on SM implementation and maintenance.