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What is This?
The economic and cultural aspects of the social web: Implications for the tourism industry

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Abstract
The social web is more than a technological innovation: it is a social innovation – it changes the way people and companies interact and communicate. New business models, new structures and new hierarchies in tourism enterprises and tourism organisations are the reason for this transformation. Because of this circumstance, tourism organisations and companies not only meet tough challenges, but also hold a multiplicity of potential. The environment of tourism is going to change permanently by the influence of the social web on media landscapes, media consumption and the construction of tourism imaginations. This article visualises the challenges in tourism associated with the developments of the social web out of a scientific and practical point of view.

Keywords
Internet, principles, social web, society, tourism

Introduction and methodology
The tourism industry had high expectations of the Internet from the outset of it. Tourism as an intangible service product is perfectly adaptable for electronic data transfer. Online travel communities and online ticket sales were said to have a bright future due to the fact that the presentation of necessary information for purchasing products on the Internet is easy, and the costs for daily updates are comparatively low. Moreover, the emotional bonding to travel products can be achieved more easily compared to other media because of the integration of pictures and videos (Buhalis, 2003). In the late 1990s, such advantages were seen as ‘revolution’ of the Internet. When it came into existence, the Internet was used as a replacement for newspapers, but nowadays it has developed into a more innovative and novel shape and represents something that has not been there before in its sense. Taking the chances and possibilities of the Internet into account, it may be assumed that the changes and influences of the Internet will have an unprecedented impact on businesses and society.

Tim O’Reilly (2005) first subsumed the turning point in this development with the term Web 2.0. In order to describe the current changes of the Internet correctly, a new term must be used, as the term Web 2.0 is not sufficient anymore. Instead, the meaning of the term social web being used for the first time by Peter Hoschka in 1998 in the context of the ‘social web research programme’ clearly embraces this technological evolution. [...] ‘Providing content via the World Wide Web has been the killer application of the Internet in the last few years. Linking people will be the next killer application’ (Hoschka, 1998). Back then, he already forecasted the
transformation of the Internet from a sheer source of information to a social network in which people interact socially. Thus, already 10 years ago Hoschka’s study addressed central research questions of today’s studies. Today, those research questions have different names but they are still under consideration:

1. Personal representation for virtual interaction
2. Mutual perception and social awareness
3. Collaborative construction of community knowledge
4. Formation of norms and conventions
5. Self-organisation of groups and communities

Numerous social web applications can be mentioned in this context, for example, social networks, which offer a number of different services for their clients (see Koch and Richter, 2009). With over 800 million active users worldwide, Facebook is the most used social networking service worldwide (Facebook, 2012).

Besides these applications, serious boosts of development of Online Travel Agencies (OTAs) can be determined. For instance, the search engine Google has to be emphasised since it is running another tourism business segment. Google Hotel Finder and Google Flights are competing heavily against established OTAs. Another paradigm becomes evident with the mobile use of the Internet and accordingly of the social web. Mainly technological developments that are being discussed as ‘augmented reality’ have to be mentioned next to mobile websites and applications.

This excursus demonstrates that those considerations are not completely new. The social web means the development of the Web 2.0 by people and was forecasted many years ago by visionaries and scientists. The developments in the tourism industry are certainly not a surprise and on the top of this, they are not even close to being finished. The aim of this work is to describe the relation of society, the Internet and the social web, their various influences among themselves and their consequential development. As mostly scientific work on this field of study is very limited, the authors felt it particularly useful to discuss the influences of social media more in depth. In order to deliver an overall picture, relations and comparisons to the tourism industry will be made. Hereby, the question of how social media influences the tourism industry and potentially the travel behaviour of tourists will be answered. Using the model of the hermeneutic spiral, the implementation of the literature research, quantitative approaches (in the context of online questionnaires), expert interviews and participant observation was divided into four stages of understanding to support the comprehension and the structured workup of the chosen topic. The expert interviews were partly standardised to allow a comparability of the interviews up to a certain extent. Moreover, this kind of interview enables the interviewer to elaborate the specific knowledge of an interview partner and to react flexible to new inputs. The online participant observation was undertaken across a variety of social networks, blogs, microblogging platforms and other social web platforms.

Social web – a new level of the digital evolution

The social web emerged because of the technological conditions that have changed enormously compared to the early days of the Internet. The term Web 2.0 is said to be the reason for the paradigm changes on the Internet. This term outlines the technological changes (RSS feeds, AJAX, Mashups, Blogs, etc.) that can be classified into three different types as described in the sections that follow.

Architecture of contribution

In the early years of the Internet, the creation of a personal Internet presence was just realisable with a broad knowledge of software programming or a considerable amount of money. Today, no one needs to be a software developer to create an Internet presence. The only requirement is a computer or a mobile end device. The high availability of broadband, affordable or free open-source technologies, inexpensive starter packets of Internet service providers and the development of web pages with participation options enable a personal online presence for everyone.

Architecture of networking

The increasing number of Internet presences and the enormous growth of content on the Internet require a more efficient and wider interconnectedness of the content. Technical developments enable the linkage of particular web pages. This networking can be regarded as the central element of the Web. Furthermore, contents from other web pages can directly be integrated in the own page. However, the technical connection
between content and text is just one aspect. A much greater influence is exercised by the networking of people on the Internet. The address book was a carefully guarded secret just known to its owner until the emergence of the so-called social networks. Social networks make those address books public and available for companies. The networking is permanently visualised on the Web. This so-called social graph describes the networking of one person to others, exists on the Internet and can be used across different platforms. Hence, behaviours, statements and ratings on the Web are relatable to particular people and networks; trust and relationships can be built within the social networks. Therefore, a person is embedded in his/her social environment and his/her relationship networks.

**Architecture of communication**

The architecture of communication is the third element of the Web 2.0 and at the same time the central basis of existence of the Internet. In fact, in the early years of the Web, companies were able to communicate with their clients but the possibilities for customers to communicate with an enterprise were limited. In the past, communication was monodirectional. The Web 2.0 enables a feedback channel and thereby, a transformation of communication towards conversations. The Cluetrain Manifesto claims to understand markets as conversations that can take place anywhere, both on the Internet and offline (Levine et al., 2000). Many platforms of the Web 2.0 provide such market places for users to share real-time experiences, comment on products and communicate insider knowledge.

**Social web in the tourism industry**

‘AJAX, mashups, RSS-feeds, tag clouds, vlogs and blogs! For most of the leaders in the tourism industry, these buzz words are incomprehensible abbreviations and light-years away from their daily tasks’ (Bauhuber and Oellrich, 2007). However, decision makers in the tourism industry slowly realise the importance of the social web. It is a fact that the communication monopoly is changing into a competition. One reason for this is the success of rating and review sites like Holidaycheck and Tripadvisor. Nevertheless, scientific work in this context mostly deals with particular tools, platforms and technologies and their impact on tourism. Thoughts going beyond that are not comprehensively considered in scientific research yet (Amersdorffer, 2009; Bauhuber, 2009; Hopfinger and Günther, 2009). The adoption of tourism spaces with the aid of social media and the consequent practices are so far uninvestigated. Another consideration that is insufficiently observed in research is the use of new travel media as a critical success factor for tourism companies in an increasing severe competition.

Nevertheless, the changes associated with the social web have an effect beyond economic perspectives and affect the way people act and interact for a long time. In this article, the economic implications which take effect in tourism are regarded primarily in the schematic representation of the development stages of the social web in tourism (Figure 1). Afterwards, the social implications of this Internet evolution are illustrated. It has to be underlined that many phenomena are not tourism related but apply to all kinds of services.

**Economic perspective**

The social web caused a shift in revenue flows in tourism. Thereby, the previously linear value chains turn into complex value networks (Longhi, 2008) because customers increasingly make decisions depending on digital information and electronic communication possibilities. Moreover, customers book their holidays without using classic intermediaries like travel agencies (disintermediation) (Hopfinger and Günther, 2009). Social media can also act as a new source for tourism-related information and can be seen as a major competitor especially for traditional gatekeepers like the classic media, tourism companies and news agencies. The diversification of information providers and the user-generated content (UGC) play a key role in the tourist decision making (Molz, 2006). These major influences imply a crucial transformation in the tourism consumption process.

**New business models and new intermediaries**

New intermediaries with business models based on UGC and social media are de facto in existence (Anderson, 2008; Zerfaß and Sandhu, 2008) and represent the visible part of a greater issue along with travel communities and review sites. Established key players on the Web (online travel agencies (OTA), search engines, etc.) have to adapt to this trend, for example,
by integrating review options in the online travel portal. Hotel Reservation Service (HRS) and Thomas Cook can be stated as a successful best practice example in terms of the integration of review options.

However, those companies can resist the pressure only to a limited extent because they already lose innovation adaptability due to their size. The scientific term for this phenomenon is ‘complexity catastrophe’ (Kauffman, 1993). In many cases, companies tend to avoid changes in general because the required steps could cause ‘pain’ in various parts of the organisational structures. Possible benefits for the enterprise receive no considerations (Beinhocker, 2006). Thus, innovative and social tourism intermediaries become a part of the tourism industry and are able to establish themselves as a key player on the market (Hopfinger and Günther, 2009).

A sweeping structural change
The social web does not only influence intermediaries but also service providers as their products become transparent in the social web and in the conversations of customers.

Complete transparency of products inevitably leads to the result that service providers which offer a bad quality are in the need for action. Either they accept low booking figures and run the risk of bankruptcy or they improve their quality by adjusting their cost-benefit ratio to the market. (Editor’s note: translation from German; Amersdorffer et al., 2009)

A structural change induced by the Internet takes place without key players realising the developments which are accelerated by the economic and financial crisis. This transformation is manifested in certain trends: the quality of a service is transparent, quality promises of tourism brands are prised open, the skimming off of the quality guaranteed income is aggravated and the traditional branding and brand communication are called into question. In practice, the consumer is not a homo-oeconomicus who makes rational decisions (Beinhocker, 2007). However, the increased transparency of products implies an
enormous potential for a modification of the market which is induced by price comparison systems like Kayak and Swoodoo and by meta review sites like TrustYou. Logical consequences are pressure for innovation within the product development process as well as the demand for more effective and more efficient quality management – the structure of the market is in motion.

From enterprise 2.0 to open innovation

Social software – the software systems of the social web including blogs, wikis and social networks – have become a part of the external and internal business communications. This internal integration is subsumed with the term ‘Enterprise 2.0’. McAfee (2006) was the first to mention how social web applications can be used in the internal and external cooperation and communication.

Related to the external communication, results show that social media applications find their way into the tourism sector. Almost 50% of the tourism companies interviewed use the social network service Facebook as the suitable communication medium, followed by the microblogging service Twitter and different Google applications (e.g. Google Places). However, the results show that tourism companies still have a lack of an overall social media strategy or rather the observation of conservations on the social web takes place rudimentally. This circumstance can be traced back to the scarcity of resources in personnel, according to the respondents (TOUROM, 2011). In accordance to the conclusions, a little more than half the marketing budget is going to be invested in the online area in the near future ergo in 2 years (IFAK und Tourismus Zukunft, 2012).

Whereas in external communication, the outcome is nevertheless promising in the context of distribution, marketing and PR, there is going to be a radical alteration of the corporate communications simultaneously. This is because within the business, the processes are self-activated and controlled but the external communication is often indiscriminate. In many cases, employees of a tourism company appear as individuals on the Internet and stand at the borderline between professional and private communication. ‘Centrally controlled communication via public relations offices is a thing of the past’ (editor’s note: translation from German; Ebersbach et al., 2010). Hence, the tasks and fields of work of employees, the professional fields and occupational titles (e.g. community manager), and the processes and structures within the business are changing. Thus, a discrepancy arises between the open, little hierarchy architecture of the social web and the still strict organisational structures of the business world. A consistent change management is necessary to react to these new challenges. Bienert (2008) distinguishes between three levels of change management: business culture, the motivation of employees and strategies of implementation. As a result, the difference between a successful and a less successful company is based on the time an enterprise needs to deal with the new business rules and on the ability to adapt to the changing situation (Ullmann, 2000).

Next to the external communication, social media applications open up new possibilities for the internal cooperation and communication. According to the results of a comprehensive study by McKinsey, measurable advantages can be seen in a faster knowledge access or rather in a faster availability of expert knowledge. In addition to that the internal use of social software allows evident communication cost savings (McKinsey, 2010). Moreover, the communication via, for example, social networks like Facebook enables an enormous innovation potential.

Consequently, there is going to be network effects because of the networking and communication in social networks, which will result in a climate of confidence in the identity and networking management (Koch and Richter, 2009), which will itself entail a higher willingness to information and knowledge distribution. This information can cause an innovative impulse for a company or rather an organisation and therefore describe the advantage of superior knowledge, which on the other hand can lead to a competitive advantage (Bernhardt, 2002) and eventually decides on the success of a tourism company.

Therefore, it becomes more and more evident that the greatest potential for innovation exists in the structures of networks and in the integration of external competences rather than in the companies (Zerfaß and Sandhu, 2008). The consequent open innovation characterised by Chesbrough (2003) is not a technological but a social innovation affecting the way on how people are organised within a business (Beinhocker, 2007). Due to the social web, consultants and customers become a part of the interactive value-added (Assmann et al., 2008) new innovative tourism businesses.
Besides the strategic effects in the context of invention and innovation, selected social web platforms also serve the execution of the daily business. That is why by now various applications (e.g. Socialcast) exist, which allow the cross-linking and communication of the internal human resources. The results of this are positive effects in the planning and conception of projects as well as in the execution and in this regard the employment of personnel.

**Sociological perspective**

As mentioned previously, the social web prises open the common hierarchic transceiver structure (Shannon, 1948). So far, communicative processes were initiated by a minority of transmitting institutions (e.g. companies, public institutions) and were spread by gatekeepers (e.g. television broadcasters, radio stations, newspaper publishers) to the bulk of customers in a society. A feedback channel from the consumer to the gatekeeper as well as to the transmitter existed only in a marginal form (e.g. letter to the editor, calling the radio station). This three-parted communication model is dissolved to the benefit of an open non-hierarchic model. Therewith, the social web can be classed as an innovation of communication processes in the whole society. The ideal situation of free speech and equal rights, which is described by Habermas (1981) with his idea of the public sphere, seems to be approaching.

**New patterns of communication – the increasing influence of the individual**

Customers receive the same status in the communication process as the previous gatekeepers and transmitters. Communication processes do no longer happen unidirectional but multidirectional between consumers, between consumers and gatekeepers and between consumers and institutions. Communication through media is associated with the social web in a process of individualisation due to the changes. However, the democratisation of the Internet does not lead to a complete equality in the communication context. In traditional communication models, the organisational position of the transmitter decided on the influence of communication processes, though, today this has been substituted by socio-Darwinist patterns: the attention in social networks and social applications as well as the mastery of the principles of communication and technology are the key factors for the domination of communication processes and social networks. A cumulative formation of trails occurs due to dominant individuals (central multipliers in social networks) and centrally located content. Some themes lie on those trails and get attention, while other topics are just noticed marginally. Therewith, attention attains the significance of an economic factor in the social web. To sum up, it can be posited that the social web redefines the term ‘niche’ related to the above-mentioned developments. Niches are no longer determined by the prominence of topics concerning the whole society but they are constituted by the centrality of people and content in the virtual networks of the social web.

**Imaginations as a social construct**

The emergence and especially the modification of social values were enabled through communication processes. The individualisation referring to the social web dissolves the previous editorial and institutional control of content and provides the individualisation of values and value systems with a new dimension. Derived from the paradigm of the symbolic interactionism, a directly effective inference on tourism can be drawn. So far, values and importance allocations within the topic ‘travelling’ were highly influenced by traditional media. As for now, the social web displaces this influence in favour of a democratisation of the development of values and the allocation of importance. The imagination of a dream beach mediated by the traditional gatekeepers for many years or the association of a destination brand can be changed by the democratisation process of the social web and can approach the customer’s world of thought. However, this cannot be compared with a primarily constructivist point of view because the demand for a construction of importance solely by individuals themselves is limitedly justifiable in the interaction-based social web.

Within the framework of the social web, processes take place which constitute a parallel universe in the form of the social web – on the subject of travelling or on other topics related to society. This circumstance can be demonstrated clearly on the basis of technological developments, which involve with the mobile use of the Internet. A multiplicity of tourism-motivated applications, which enable the construction of new areas, is available for the user – keyword ‘augmented reality’.
For the future, it is necessary to investigate how those parallel universes generated by the social web correspond to the behaviour of individuals and real, non-virtual situations as well as how they can be used as an explanatory model for the changing practices and behaviours. This circumstance is insofar of enormous relevance as for instance mobile applications interfere gravely with the travel process of the individual.

Consequently, tourism players have to deal with the particular parameters of relevant parallel universes in the social web because their influence on the choice behaviour of individuals gains increasingly lucrative numbers for companies.

**Social web in the culturalistic paradigm**

The social web can be classified as a social development that can be assigned to a sociological model of changing societies. The model of thrill-seeking society by Schulze is an ideal-typical example which is already applicable in tourism research. Schulze refers to the dissolution of traditional social boundaries in the shift from the industrial to the service society. An individual in a society gets the chance to not only open herself/himself to the experiences but also to choose experiences corresponding to their effect on the own well-being (Schulze, 2000). The social web can be located in this context because it enables a completely new communication experience with an internal impact on the communicating individual. Communication through media in the age of the social web is no longer defined by the influence but by the choice of the communication tool and contents. Activities like ‘self-broadcasting’, ‘ego boosting’ or ‘social involvement’ (Wiedmann et al., 2007) can be understood as experiences with an internal impact of the individual.

In tourism, the result is the alienation of travellers from package tours to differentiated products. While this process is not a new development of the social web, it has been intensified by the behaviour of the customers. The increasing travel affinity and the accordingly rising standard as well as the change of values to the point of individuality have to be mentioned in this context.

And also the way the travellers gather information makes editorial teams and gatekeepers become less important and they are often replaced by diversified producers of information and processes of selection within the social web. The attitude of tourists shifts from a push concept, whereby the providers define the travel and information experiences towards a pull concept, by which the tourist consumes information and tourism products self-determinedly by reference to the own wishes and effects of the chosen.

**Future of the tourism industry – innovation as a destructive process**

Tourism firms operate in a business where innovation is important for survival. (Sörensen, 2007)

To what extent a destination is successful with regard to the increasing competitive environment depends on the circumstance how fast she can adapt to the repeatedly changing game rules on the market. Therefore, it is of existential importance for tourism organisations and companies to be innovative.

‘If a business fails to innovate then it grows old and eventually it dies’ (O’Hare, 1988). The technological innovations of the Web 2.0, however, induce social innovation by the social web. These innovations are disruptive and they especially upset the tourism industry. Göldi (2009) mentions the following four reasons for the insufficient handling of the new Internet technologies and innovation:

1. The difficult prediction of non-linear development;
2. Status quo-preference and separation anxiety of managers and decision makers;
3. Status pockets within industries where opinions from the outside find an empathetic ear at rare intervals;
4. The law of the 50-year-old men whereby short-term bonuses are more important than strategically effective decisions.

Innovation is a destructive process that releases existing products and procedures and leads to a reconsideration of previous behaviours and aspiration levels. This basic statement can be transferred to the tourism industry.

**Diffusion process of innovations in social networks**

‘Innovative I&C-technologies open up potentials for an increase in efficiency and an improved flexibility within the organisation- and market structures, for an increase of the international competitiveness, but also for an economisation
of the workforce’ (editor’s note: translation from German; Feil et al., 2003).

But not only do new I&C technologies exert an influence on clearly visible tourism practices but they also do trigger a change in every form of daily routine, for example, in the communication between tourism innovators. According to the results, this circumstance is especially evident in the social networking service Facebook. The research showed that stakeholders in tourism mutually communicate on Facebook to distribute innovations.

This transfer of innovation is not restricted on the stakeholders who are cross-linked due to political structures. In fact, it shows that stakeholders from different destinations or rather from different tourism sectors are communicating with each other and therefore can distribute innovations beyond corporate boundaries. In this context, innovation networks appear which trigger learning processes within organisations (Powell and Grodal, 2005). Especially in consideration of the fact that tourism innovations are easily imitated, the diffusion channels take the key role in the global competition. ‘Tourism innovations are increasingly global in nature. They travel well, are easy to imitate, systemize and export. Diffusion channels are therefore crucial’ (Hjalager, 2010).

**Online tourism marketing is more than a web page**

The monolithic structure of the closed web page concept that was developed during the dot-com era will be dissolved due to the developments of the social web and will be replaced by new forms of online presences. It is loosely based on the guiding principle: from the web page to the online presence.

Traditional web pages are built upon time-worn marketing concepts and dogmas. A basic consideration of the established web pages lies in the fact that the information management of the product rests with the companies and the communication agencies. Hence, own products are presented on the own website in the way how the products are seen in the company’s perspective. Another principle of the existing web page concepts relies on the consideration that traffic flows have to be controlled so as to direct customers in their search to particular web pages. This procedure seems to be logical out of the development of the Internet. However, it is only to a limited extent on behalf of the consumers because with this becomes the reader’s effort.

Whereas companies can centrally store their information and save their resources, customers are forced to move as economically as possible on the Web. The social web has the potential to reverse those processes. Product and corporate information have to be distributed and need to be brought to the readers. Thus, the application of resources is shifted and the effort lies within the companies, while readers are centrally supplied with information.

On this account, new online presence concepts have to reach different goals and need to take a step between the presentation of authentic corporate information and, for example, the aggregation of conversations and statements on the Web referring to a product. Texts on web pages will be changed due to the already described transparency. Basic product information has to be presented and communicated in an authentic way. In doing so, the website becomes less important and constitutes only one core area of the online presence, for example, as signpost for the users.

However, the actual developments take place beyond the websites because the decentralised information about particular products has to be aggregated for the readers and summarised thematically and sensibly. The amount of data on the Internet increases through the diversification of information production and is not assessable for one person.

The current developments of the social networks show a way out of this dilemma. Data and information are connected with Internet users so that the network of one person serves as a first filter on the Web in order to overlook data streams. Network and friends build a ‘social’ filter that extracts information in conformity with the own interests from the Internet and customises them for the user.

**Social and technical filters are the solution**

The role of social filters has changed considerably in the social search and social booking process.

While in the past only search engines decided about the visibility or rather the relevance of content on the Internet and the producer of content was able to achieve a better visibility on the Web with the help of Search Engine Optimization (SEO) measures, nowadays, social screens added on new criteria, which herald a radical change concerning the visibility of content. Therefore,
a string of content, which is designed individually for the user, is going to be triggered and that content will be measured with a new form of quality through the social graph. This case will be visible in the booking process as well.

‘Social commerce is the logical consequence. Customers are no longer passive but they perform for the companies as well as for other clients’ (editor’s note: translation from German; Richter et al., 2007). This process can be supported with technical filters. New technologies of the semantic web (e.g. ontologies, neuronal and linguistic concepts) give the possibility to recognise and structure contents. Moreover, contents can automatically be enriched with additional information. Thus, they can be customised. On this basis, computers can offer additional, thematically relevant information corresponding to search behaviour and other user profile data. The browser knows the search behaviour of a particular user best because it can be seen as the permanent companion on the Web. Thus, it is reasonable to complement this key element with additional technologies so that the browser becomes an ‘intelligent keyhole’ through which the user can take a look at the data.

In other words, the new online presence concepts and technologies have to and will lift and dissolve the existing web pages. Adapting the famous quote of Castells (2001) for the tourism industry, it has to be said, ‘if they do not care about the social web, the social web will care for them’.

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