ABSTRACT

We investigate social media management strategies of service businesses. Our analysis on the interviews with 14 service businesses showed that social media management has increasingly become an important component of a business manager’s daily responsibility. We also found that these social media managed by the interviewed businesses can be categorized into two groups based on different content generation mechanisms. And these two social media groups are used for different purposes towards different customer groups by service businesses.

KEYWORDS: Social media strategy, Service operations, Multiple case study, Reputation management

INTRODUCTION

With the popularity of Internet, customers increasingly refer to product and service information posted online before making any purchasing decisions. Advancement of Web 2.0 technology allows users to be creators of information in an Internet dialogue rather than just passive viewers of content with prior to Web technologies. Therefore, in addition to what provided by the company or experts, a new stream of information is available to the public: consumer generated content (CGC).

The impact of CGC on internet is profound both on consumers and business organizations. On the consumer side, with more and more comments and opinions on products and services are shared online, consumers are changing the way of making purchasing decisions. The reviews posted by peer consumers are a valuable word-of-mouth source on evaluating products and services of interest. It is common now for consumers to connect with each other and with businesses via internet and to research online reviews before making purchasing decisions. According to the survey results of Ipsos Open Thinking Exchange (OTX), 78% of online Americans aged 18-64 agree that online reviews help them decide whether or not to purchase a product (Marketing Charts, 2012). A newer survey conducted by Dimensional Research indicates an overwhelming 90 percent of respondents' buying decisions were influenced by online reviews (Gesenhues, 2013). Online reviews can be found in three main categories of sites using CGC: purchase type sites (i.e. Amazon.com and Target.com), social media sites (i.e. Facebook and TripAdvisor), and the combination sites that combine social media with sales (i.e. InMobile.org) (Williams, van der Wiele, & Van Iwaaden, 2010). Social media, Internet-based applications that
facilitate a high level of social interaction and community building, provides an excellent platform for online reviews. In addition, the popularity of social media makes it convenient to share and obtain reviews.

This consumption trend has drawn attention from businesses. Business managers realize social media provides opportunities that not only enable them to connect with their current or potential customers, but also to monitor the comments and opinions then respond to them to show their appreciation on customer feedback. They can also clarify issues when there is any misunderstanding. Thus, these new interactive platforms can serve as a communication channel to enhance customer service. In addition, based on consumer feedback and complaints, managers can seize opportunities to refine their operations to improve customer satisfaction. For example, if complaints about the layout of the fitness center in a hotel are raised by multiple guests, the operations manager can consider to redesign the layout.

Although online reviews on tangible products and services are both common, we focus on the usage of social media of service businesses in this study. As Litvin and Goldsmith (2008) pointed out that the impact of online reviews on services (experience goods) is particularly salient because the quality of services is often unknown before consumption. In addition, the un-returnable characteristics of services made customers hard to recover the damages of a service failure. Therefore, in this study we focus on service businesses’ social media management strategies.

Antidotal evidence indicates that businesses have been engaging with their customers on various social media. Hotels including Hilton and Marriott-brand hotels use software tools to monitor aggregate reviews and comments on social-media, including Twitter, TripAdvisor, Priceline, Flickr and YouTube (Yu, 2010).

Some researchers have studied various forms of consumer-generated feedback, including travel feedback sites such as TripAdvisor and Yelp (Cox, Burgess, & Sellitto, 2009; Sparks & Browning, 2011; Williams, van der Wiele, & Van Iwaaden, 2010), social networks (Kasavana, Nusair, & Teodosic, 2010), and blogs (Schmallegger & Carson, 2008). Research shows that there is a relationship between customers rating online and the pricing in hotel and restaurant (Öğüt & Taş, 2012) and hotel business performance (Xie, Zhang, & Zhang, 2014). However, research on HOW service providers manage social media and HOW managers use online reviews to improve service operations is limited (Park & Allen, 2013). Torres, Adler and Behnke (2014) also suggested more research on CGC from operations and service quality improvement perspective. To this end, in this study we tried to explore what social media sites are managed and how they are managed by service businesses.

To answer these questions, we conducted a multiple case study by interviewing 14 service businesses in summer 2013 regarding their strategies of various social media (Twitter, Facebook, TripAdvisor, Google+, Angie’s list, etc.). The interviewees include General Managers, Marketing Managers and Social Media Specialists. Each interview lasted about one to two hours. These interviewed businesses are in a wide scope of industries with various sizes and ownership types. Our findings and results can contribute to service operations and the emerging literature in improving service using social media.

In the following sections, we review literature on the strategies of using social media. We report the data collection procedure in the methodology section, then use qualitative data (interview transcripts) collected from the interviews to identify the strategies of using various social media and present our findings. Last, we discuss the implications for service operations when using social media and future research directions.
LITERATURE REVIEW

As popular as social media is, it is not clear what it means and what should be included under this term. Kaplan and Haenlein (2010) provided some clarification to this subsumed general term by defining social media as internet-based applications that build on Web 2.0 and that allow the creation and exchange of CGC. Then they classified social media applications into six specific categories: collaborative projects, blogs, content communities, social networking sites, virtual game worlds and virtual social worlds by two characteristics: social/media presence and self-presentation/self-disclosure. Kietzmann, Hermkens, & McCarthy (2011) used seven functional building blocks to present a framework that defines social media: identity, conversations, sharing, presence, relationships, reputation, and groups. There are currently various social media with different scope and functionality. Social media also evolve over time. For example, Facebook was developed as a private network for Harvard University students. But now anyone who is at least 13 years old can register. In addition to personal users to whom Facebook aimed originally, more and more businesses register to use Facebook as well.

Customer Usage of Social Media

Social media has obtained increasing attention of researchers in recent years due to its popularity (Torres, Adler, & Behnke, 2014). A stream of research focuses on the social aspect of social media. For example, Correa, Hinsley, & Zúñiga (2010) investigated the relationship between factors such as extraversion, emotional stability, openness to experience and social media use. They also examined whether gender and age played a role in the relationship. Whiting and Williams (2013) provided further understanding of why consumers use social media.

Since online reviews are an important component of social media, a stream of research focuses on this type of content from consumers’ perspectives on decision making. Studies in this stream include the examination of the content to evaluate the (perceived) usefulness or trustworthiness of online consumer reviews (Willemesen, Neijens, Bronner, & Ridder, 2011; Racherla & Friske, 2012; Li, Huang, Tan, & Wei, 2011). Some studies analyze the motivating factors for posting online reviews (Cantallops & Salvi, 2014).

Value of Social Media to Businesses

Research has suggested a positive relationship between online reviews and business performance. Ye, Law, and Gu (2009) and Ye, Law, Gu, and Chen (2011) identified the impact of online reviews on businesses and showed that online reviews have a significant impact on online hotel sales. It has also been showed that there is relationship between customers rating online and the pricing in hotel and restaurant (Öğüt & Taş, 2012) and hotel business performance (Xie, Zhang, & Zhang, 2014). Cunningham, Smyth, Wu, and Greene (2010) found that an increased awareness of TripAdvisor among hotel managers may have lead to a genuine improvement in product quality in the Irish hotel sector.

Ayeh, Leung, Au, & Law (2012) listed three reasons that a company should pay attention to social media. First of all, social media can serve as a new channel to promote products and services. Second, social media can help connect and build relationships with existing customers. Third, social media can be used for pubic relationship purposes, partially reputation management. When things go wrong, social media can act as a service recovery platform which enables businesses to acknowledge their mistakes and reply to customers in public and even offer compensation to customers as remedies. It is also argued by Schmallegger & Carson (2008) that social media provides a new source of information to conduct marketing research and can provide
opportunities for product development and improvement. Mangold and Faulds (2009) argued that social media is a hybrid element of the promotion mix because it enables communication between customers and the company as well as among customers. Baird and Parasnis (2011) believed that social media holds enormous potential as a channel for customer engagement thus companies can get closer to customers. Culinan, McHugh, & Zubillaga (2010) contended that social media can support branding, sales, customer service and support product development by analyzing some Fortune 500 companies’ use of the most popular social media.

Our review suggested that social media has commonly been identified to be useful from marketing perspective, serving as a casual and informal form of communication with existing and future customers with a few exceptions. For example, Fan and Niu (2014) argued that social media can act as an innovative channel to complement traditional recovery channels (phone, email etc…) from the service recovery perspective. Social media service recovery is more effective than other channels because of the public nature of complaints on social media and the impact of negative word-of-mouth, which may push service providers to solve the problems.

**Social Media Management**

An emerging stream of research is on the managing of social media from the business side. The white paper survey by Josh Gordon (2009) indicated that social media is used in businesses mostly as a marketing and public relations tool and small businesses use social media more frequently to improve external communications.

A variety of social media has been monitored and managed by service providers. Torres, Adler, and Behnke (2014) surveyed 140 hotels and found that TripAdvisor is the most popular of all (100%) followed by Yelp (42%), Expedia (33%) and Facebook (25%). Ayeh, Leung, Au, and Law (2012) found that Facebook to be one of the most popular social media and the common practice to manage social media is to open an official account and assign one staff member to be responsible for the account. Lee and Hu (2005) showed that customers perceive the hotels responses as an indicator of how businesses care about their services. Wei, Miao, and Huang (2012) found that customers perceive businesses’ responding to positive reviews as part of customer relationship management to retain and expand their customer pool by establishing a customer centered image. It is evident that hospitality managers have realized it is important to respond to customers on social media, as 72 percent of surveyed hotels were planning to respond to both positive and negative reviews (Levy, Duan, & Boo, 2013). Sparks & Bradley (2014) developed a typology of management responses to negative online reviews of hotel accommodations. However, responding to reviews can be risky. Aula (2010) argued that social media expands the spectrum of reputation risks and boosts risk dynamics since CGC posted in social media cannot be controlled by businesses. An organization may face reputation risk when reacting to claims presented in social media.

Managing service quality can be a complex task because of its intangibility. Customer feedback provides information on the performance of the service. It has been a common practice for large hotel companies to solicit satisfaction surveys from guests, but they’ve relied mainly on numerical ratings and rarely considered descriptive explanations (Yu, 2010). Observing that managers have begun to use reviews to improve various aspects of services, Yu (2010) suggested hotels to actively embrace social media and CGC to monitor reviews and manage online reputation. Levy, Duan, and Boo (2013) pointed out that online reviews can contribute toward total quality management and continuous improvement processes. Torres, Adler and Behnke (2014) explored the ways in which hotel General Managers use consumer online feedback, experts, and internal sources to improve service quality.
Since social media is largely out of control of businesses, fear of receiving negative customer reviews or comments may discourage businesses to use social media (Ayeh, Leung, Au, & Law, 2012). However, the reality is social media cannot be neglected. Businesses need to manage their presence and pay attention to what people say about them on social media. Aside from commonly realized applications of social media in marketing and customer service, social media can be applied to other business functions as well to add values. Businesses need to take a holistic approach when developing social media strategies by assessing their value chains to identify the best ways to use social media as a platform to achieve business goals. In this paper, we focus on exploring service businesses’ social media strategies.

METHODOLOGY

The exploratory nature of our research questions called for a qualitative research approach based on grounded theory. Grounded theory approach was used to denote theoretical constructs derived from qualitative analysis (Corbin & Strauss, 2008). Survey-based quantitative approach was not used because of two reasons. First, this study aims at providing in-depth investigation of the current social media practices in the service industry, which is challenging to achieve using survey-based quantitative approach. Qualitative research approach would fulfill the goal more effectively. Yin (2003) suggested that the multiple-case study approach in the realm of qualitative research can provide a comprehensive research strategy by helping researchers understand complicated issues and maintain the integrative and meaningful characteristics of real-life events. Therefore, in this study, we adopted the multiple-case study approach. Next, we describe our sampling and data collection and the analysis process.

Data Collection

To answer our research questions on service businesses’ social media practices, we conducted comprehensive interviews to gain in-depth knowledge of social media management strategies. We employed the purposeful sampling approach, which focuses on information-rich cases that demonstrate the phenomenon of interest (Patton, 2002), to select cases in the sample. There are 14 cases selected, which are individual service businesses in Colorado Springs in Colorado. Since the turn of the century, Colorado Springs has been a major tourism destination because of its famous grand hotels. Consequently, service industries have become a critical part of the city’s economy. We believe the businesses in this city can provide us examples of social media practices of service industries. First, we sent research project information to businesses through the local Best Business Bureau (BBB) and Convection and Visitor Bureaus (CVB). Then, we selected 14 cases among the businesses that are interested in participation of the project based on the practical consideration of accessibility of the business, the relevance to the study and the type of ownership. The characteristics of the case companies are reported in Table 1. The interviews were conducted in summer, 2013 and each of them lasted from one to two hours.
<table>
<thead>
<tr>
<th>Case No.</th>
<th>Business area</th>
<th>Ownership</th>
<th># of employees</th>
<th>Revenue/size</th>
<th>Interviewee(s)</th>
<th>Social media</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B &amp; B</td>
<td>Independent</td>
<td>1 full + 4 part time</td>
<td>$0.35M</td>
<td>Owner/Manager</td>
<td>TripAdvisor; Facebook; Twitter; Pinterest; Google+; Yelp</td>
<td>Operated as B&amp; B since 80s. Five years for this owner. A higher end clientele for short stay or getaway.</td>
</tr>
<tr>
<td>2</td>
<td>Recreation</td>
<td>Independent</td>
<td>3 full + 125 part time at high season</td>
<td>1M</td>
<td>General Manager</td>
<td>Facebook; TripAdvisor; Pinterest; Google+</td>
<td>Opened since 1978. Operating from May through Labor Day Weekend.</td>
</tr>
<tr>
<td>3</td>
<td>Restaurant</td>
<td>Chain</td>
<td>150</td>
<td>20M</td>
<td>public relations and social media director</td>
<td>Facebook and yelp (most), Twitter; Foursquare; Instagram; LinkedIn</td>
<td>Rio di Janerio style Brazilian steakhouse. Chain started in 2000. Current location is one year old. Customers are families and a lot of special occasions</td>
</tr>
<tr>
<td>4</td>
<td>Hotel (Marriott)</td>
<td>Chain</td>
<td>130</td>
<td>$10M</td>
<td>General Manager</td>
<td>Trip Advisor Facebook twitter (promotion)</td>
<td>The hotel has a history of 24 or 25 years. Customers are leisure and business travelers banquets and large numbers of catering events</td>
</tr>
<tr>
<td>5</td>
<td>Restaurant</td>
<td>Independent</td>
<td>30</td>
<td>2.7 M</td>
<td>General Manager</td>
<td>Trip Advisor, Yelp, Urban Spoon, Open Table, Four square, Facebook</td>
<td>High end steakhouse. Independently owned and operated for 11 years</td>
</tr>
<tr>
<td>6</td>
<td>Retailing</td>
<td>Chain</td>
<td>6 full time + 20 contractors</td>
<td>Unknown</td>
<td>Administrative assistant</td>
<td>Yelp, Angie’s list; Yellow Pages, LinkedIn, Facebook, Pinterest</td>
<td>The china has 50 stores around the country. This store here has been in the same building for 20 years</td>
</tr>
<tr>
<td>7</td>
<td>Roofing Contractor</td>
<td>Independent</td>
<td>4 full time + unknown number of contractors</td>
<td>1M</td>
<td>Co-owner</td>
<td>Angie’s List; Facebook LinkedIn Google+</td>
<td>Open since 2009. Worked on residual business for a couple of years. Then a lot of work with realtors and property managers.</td>
</tr>
<tr>
<td></td>
<td>Business Type</td>
<td>Chain</td>
<td>Full time + Part time</td>
<td>Revenue</td>
<td>Manager</td>
<td>Facebook, Google+</td>
<td>Owner Handles Responses</td>
</tr>
<tr>
<td>---</td>
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<td>--------------</td>
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<td>------------------------</td>
</tr>
<tr>
<td>8</td>
<td>Remediation and Other Waste Management</td>
<td>Chain</td>
<td>6 full time + contractors</td>
<td>Unknown</td>
<td>Marketing director (Owner handles responses)</td>
<td>Angie's List, LinkedIn</td>
<td>3 years in business. Partner with insurance agencies, plumbers, property managers</td>
</tr>
<tr>
<td>9</td>
<td>Hotel (Cliff House)</td>
<td>Chain (10 hotels)</td>
<td>50 full time and 30 part time</td>
<td>$3.65 M</td>
<td>General Manager</td>
<td>TripAdvisor, Facebook, Google+, Yelp</td>
<td>54 room luxury inn with restaurant and dining operation for banquets, breakfast, lunch and dinner. Opened in 1999 in a historical property</td>
</tr>
<tr>
<td>10</td>
<td>Hotel Double Tree by Hilton</td>
<td>Chain</td>
<td>40-45 full time +110 part time</td>
<td>$20M</td>
<td>Facebook, Twitter, TripAdvisor, Pinterest and YouTube</td>
<td>TripAdvisor</td>
<td>Opened in 1984. Main customers are business travelers, government contractors, and military personnel. But leisure travelers over weekends.</td>
</tr>
<tr>
<td>11</td>
<td>Hotel Stay bridge</td>
<td>chain</td>
<td>20 full time +20 part time</td>
<td>1.8M</td>
<td>General Manager</td>
<td>TripAdvisor</td>
<td>Opened 10 years ago. All suite extended stay hotel. Total 79 suites.</td>
</tr>
<tr>
<td>12</td>
<td>Restaurant (the airplane)</td>
<td>Independent</td>
<td>10 full time +25 part time</td>
<td>1 M</td>
<td>Owner</td>
<td>Yelp</td>
<td>Opened 11.5 years ago. Themed restaurant.</td>
</tr>
<tr>
<td>13</td>
<td>Hotel (embassy suite)</td>
<td>chain</td>
<td>80 full time</td>
<td>unknown</td>
<td>General Manager</td>
<td>Facebook, TripAdvisor; Hotels.com, Trip Advisor, Expedia</td>
<td>Opened in 1985. Total 206 guest rooms and 7,000 sq. feet of meeting space, restaurant, and lounge. For leisure and corporate travelers.</td>
</tr>
<tr>
<td>14</td>
<td>Recreation (rafting)</td>
<td>independent</td>
<td>5 full time +45 part time</td>
<td>0.6 M</td>
<td>Owner</td>
<td>TripAdvisor, Facebook</td>
<td>More than 30 years in business</td>
</tr>
</tbody>
</table>
Data Analysis Procedures

We recorded all the interviews and then transcribed them into Word documents. These documents (one for each interview) were then imported to NVivo 9, a qualitative analysis software program. Following the analytic process outlined by Corbin & Strauss (1990) for grounded theory, we analyzed the texts. Our analysis employed three types of coding approaches, open, axial, and selective coding (Corbin & Strauss, 1990). Starting with open coding, both of the authors read through the data, considered the possible meanings, and examined the characteristics of the social media practices carefully. Then we worked independently to give interpretive labels to the data by coding the relevant texts into different nodes. We compared our independent work frequently during the analysis process. When there was any difference or disagreement, we discussed and analyzed the differences until reaching consensus. The open coding approach helped us identify social media related terms and elements in the interviews. Furthermore, we used axial coding to crosscut or relate these elements to each other. The processes of open coding and axial coding were intertwined because we constantly added, deleted, revised, or integrated nodes during the analysis process.

As the final stage of the analysis, we used selective coding to unify all the social media strategies into categories including social media perceptions and social media management strategies.

FINDINGS AND DISCUSSIONS

It is evident that businesses have realized the importance of social media as a new form of “World of mouth”. All the service businesses that we interviewed have been using at least one social media. Some started noticing social media and paying attention to it as early as 2009. However, managing social media remains in its infant stage for businesses as most of the studied businesses only had two to three years of experiences. Depending on the industry, some managers realized the benefits of certain social media applications while still trying to figure out other applications. The knowledge of social media and its application mainly comes from either lectures, presentations, seminars organized by local business associations, internet marketing firms, personal social media experience, or technology savvy friends and relatives. In this section, we summarized our findings in two main categories: Perception of various social media forms and social media management strategies.

Perceptions of Various Social Media

All the business interviewed manage and/or monitor more than one social media platforms. Table 2 shows the list of social media that are managed and/or monitored by the interviewed companies. Among these social media, the most popular ones are Facebook, TripAdvisor and Yelp which is in line with the findings in Leung, Au, & Law (2012) that Facebook is one of the most popular social media.

Further analysis of the data revealed the social media websites that are most widely used and intensively managed depending on the industry of a business. For hotels and recreation service providers, TripAdvisor is the number one choice. The result is consistent with the findings in Torres, Adler, & Behnke (2014) that TripAdvisor is the most popular of all (100%) in the surveyed hotels. For restaurants, Yelp gets more attention. For other services especially when local professionals are involved, Angie’s List appears to be a popular platform. Although Angie’s list is used by only three businesses, these three are all the service companies in our sample that provide local professional services.
Table 2: List of social media categorized by content generation mechanism

<table>
<thead>
<tr>
<th>Category</th>
<th>Social media</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review sites</td>
<td>TripAdvisor</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Yelp</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Google+</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Angie’s list</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Four Square</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Urban Spoon</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Open Table</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Yellow pages</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>YouTube</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Hotels.com</td>
<td>1</td>
</tr>
<tr>
<td>Social Networking</td>
<td>Facebook</td>
<td>12</td>
</tr>
<tr>
<td>Sites</td>
<td>Twitter</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Pinterest</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>LinkedIn</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Instagram</td>
<td>1</td>
</tr>
</tbody>
</table>

Although Kaplan and Haenlein (2010) classified social media applications into six specific categories: collaborative projects, blogs, content communities, social networking sites, virtual game worlds and virtual social worlds, the social media managed by service businesses in this study mainly belong to two categories: content communities (i.e. TripAdvisor, Yelp and Angie’s List), and social networking sites (i.e. Facebook, Twitter and LinkedIn). Other categories of social media have not caught attention of service businesses.

Based on the content generation mechanism of social media, we categorized social media used by businesses into two groups. One group consists of review websites including TripAdvisor, Yelp, Angie’s List, and Google+ for which the content is primarily generated by consumers as users. The second group consists of social networking sites including Twitter, Facebook, LinkedIn, Pinterest, Instagram for which the content is mainly generated/controlled by the business/service provider although interactions between businesses and customers exist. In next section, we present and discuss our findings on the strategies of using these two different groups of social media.

**Social Media Management Strategies**

Our analysis revealed that different social media are used for different purposes geared toward different customer groups. For review websites, we found that businesses use the content for reputation and image control. We realized that some review websites have other functions, for example booking and reservation. But our focus is on the content on these sites. We found that businesses manage the review websites in this group to show their care of customers which can potentially bring more businesses.

Managers believe that taking time to reply to customer reviews on review websites indicates that they listen and care about their customers. A good ranking on the review website can greatly attract and bring customers which results in increasing sales and revenue. As a manager mentioned during the interview: “I would say I get a huge amount of people from different parts of the country. They chose our place to stay because of Trip Advisor. I am the number one bed
“We find so many people are using Trip Advisor as a tool to kind of look at the different service providers since there is so much competition. Honestly, I want them to know that we care but I also want that person who is searching Google and they see the Trip Advisor and they see that we take the time to respond.”

Although business managers believe that a majority of the reviews posted on the sites are accurate, thoughtful, and well written, customers do have higher expectations for service industries and can blame the service providers for issues out of their hands or irrelevant, thus post inaccurate and illegitimate negative reviews. For example, a restaurant manager said: “There are negative comment on Yelp that I could prove was inaccurate. They talked about menu items we don’t serve and they talked about a serve that doesn’t work here.” Since customers are not verified to be a real customer of a business to post a comment, it is possible for a competing business to post negative comments. However, managers realize that their businesses can get hurt if they have too many bad reviews. Therefore, the review websites such as TripAdvisor, Yelp, and Angie’s list are mainly treated as reputation management tools. And it is toward potential customers as a manger said: “It (responding to reviews) is more for the other guest who are reading the reviews for them to know as well that this was kind of the situation” An interviewee considered Angie’s list as a marketing tool for the company to reach more customers.

Using the reviews to improve service is not in the main stream yet though one manger mentioned: “It is nice in that, even the negative ones, we look at them as positive we can learn from them and just change some of our practices and protocols, so we can give the guest exactly what they are looking for.”

The second group of social media we identified are sites such as Facebook, where business mainly control its content. This social media group is mainly treated as customer engagement tools because businesses can post whatever they want and lead the discussion. As an interviewee clearly pointed out: “I see Facebook different from the consumer-based reviews because it is controlled by me. Most of the content is generated by me and my employees.” Table 2 shows a list of this type of social media. Our data shows that in this group Facebook is the most popular one followed by Twitter, LinkedIn and Pinterest. The rest is only adopted by one or two businesses interviewed.

The main purpose of using this type of social media is to keep interactions and conversations going with customers. On these social media, businesses provide information about themselves, update information about their services, events and promotions as indicated by the following interview transcriptions:

“Facebook page for the *** (business name) tends to be a brand building opportunity for us to have conversation. …It keeps the conversation going. It is more of a brand builder.”

“Basically, you use Facebook as to let people know you. If people want to find out more, that is where they are going to go”

“We have Facebook and Twitter accounts that we utilize to promote our hotel.”
Businesses realize these social media can be linked to company website to send consistent messages. They are used not only about business but also about having fun and building community which mainly work towards existing customers as indicated by a manager: “It’s kind of cool when you post something fun and you see that response from that guest you know.” “You have to make stuff interesting and then say by the way, it is St. Paddy’s day, come on in for $1 green beers.”

According to the interviewees, the landscape of social media has been changing quickly. New social media emerge regularly. Most of managers are still trying to catch up and figuring out what these social media mean to the business as one interview pointed out:

“We have a Twitter account but we don’t really use it. I don’t see a whole lot of applications in this arena for Twitter. So I do put some credit towards Twitter for that. Not nearly as much as we see people from Facebook. It took a lot of time to get me to do twitter. I still wonder the success of it”.

The importance of social media management is also reflected by the fact that a majority of managers encourage their customers to share their experience on social media. They monitor not only their own performance/ranking on social media but also their competitors’. Based on the reviews, managers can further assess what is working or not working with their own businesses. In the meantime, they can learn lessons from the comments posted for their competitors.

Nonetheless, social media management has been part of business managers’ daily responsibility. As a manager put it: “Everybody is online. You need your presence to be positive. So you gotta keep up with these things.”

CONCLUSIONS AND FUTURE RESEARCH DIRECTIONS

Advancement of Web 2.0 technology makes it possible for every individual user to share opinion and reviews on products and services in the form of CGC. Social media, internet-based applications that facilitate a high level of social interaction and community building, provides an excellent platform for users to share their online reviews. With the popularity of social media, its impact on consumers and business organizations is profound.

On the one hand, with more and more comments and opinions on products and services are shared on social media, consumers are changing the way of making purchasing decisions. Customers are increasingly relying on online reviews to assess products and services. On the other hand, social media has obtained attention of businesses. Managers realize social media provides opportunities that not only enable them to connect with their current or potential customers, but also to monitor the comments and opinions then respond to them to show their appreciation on customer feedback.

In this paper, we focused on the usage of social media of service businesses because consumers of services have to heavily rely on social media to infer the quality of such goods. We explored the social media strategies of service businesses. More specifically, we want to know what social media are managed and how they are managed by service businesses.

We conducted a multiple case study by interviewing 14 service businesses in summer 2013 regarding their strategies of various social media. Qualitative analysis is conducted to capture how businesses use different social media sties. A qualitative research approach based on
grounded theory was used to analyze the interview transcriptions using NVivo 9, a qualitative analysis software.

Our analysis showed that social media management has increasingly become an important component of business managers’ daily responsibility. Although some have paid longer attention than others, all the businesses interviewed manage and/or monitor more than one social media. The social media managed by service businesses mainly belong to only two categories (content communities and social networking sites) out of the six defined by Kaplan & Haenlein (2010). Based on the content generation mechanism of social media, we categorized social media into two groups: review websites for which the content is primarily generated by consumers as users and social networking sites for which the content is mainly generated/controlled by the business/service provider. Among these social media managed by the interviewed businesses, the most popular ones include Facebook, TripAdvisor and Yelp. Further analysis of the data showed that the most widely used and intensively managed social media websites vary by industry of the business. For hotels and recreation service providers, TripAdvisor is most popular. For restaurants, Yelp gets more attention. For other services especially when local professionals are involved, Angie’s List is a critical source.

Our analysis revealed that different social media are used for different purposes towards different customer groups. The review websites such as TripAdvisor, Yelp, and Angie’s list are mainly treated as image management tools toward potential customers. Managers believe that their presence on online review sites show their willingness to listen and care about their customers, which can help them in competition. And business managers realize that too many bad reviews can hurt their businesses even though no all the reviews that go on the sites are accurate, thoughtful, and well written.

The second category of social media that we identified such as Facebook is mainly treated as customer engagement tools because the contents are largely under the control of the businesses. The main purpose of using this type of social media is to keep interactions and conversations going for customers. Businesses can post information about themselves, update information about their services, events and promotions on this category of social media. In addition, managing this category of social media should not be only about business but also about having fun and building community which mainly work towards existing customers.

The study findings are based on qualitative data collected from 14 service businesses in one area in the US, which may be limited to represent and reveal every aspect of social media strategies of service business in general. The study findings can be further extended and verified by using a large sample set in future studies. Cluster analysis can be conducted to identify the profile of different social media management strategies and link these strategies to businesses’ service quality.

REFERENCES


