

## **GAINING COMPETITIVE ADVANTAGE USING SOCIAL MEDIA. LONGER ALLOWS ROMANIAN RURAL TOURISM INDUSTRY TO IGNORE PRESENCE ON SOCIAL MEDIA?**

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### **ABSTRACT**

*With the advent of smart phones, the Internet has moved from desktop to each pocket, determining the number of people accessing social media to grow, especially teenagers and young adults who overwhelmingly identify with the social media profiles. In the new economic normality which we live, the internet and especially social media networks have been transformed from a tool to make friends in an interactive platform for business. Member's (company's) interaction on social media could offer tremendous opportunity for entrepreneurs to develop competitive advantages in relation to other players in the market. Two or more industries offering the same products or services, and which are in proximity to each other, have become normality in today's competitive environment. Tourism is among the industries that are facing huge increasing challenges in competitive environment, social media network playing a significant role, not only allowing different destinations a direct interaction with visitors and internet platforms, but also monitoring and evaluation of tourism services. The main goals of this study is to show the opportunities offered by social media and to highlight that strategy aligned with social media can help Romanian rural tourism destinations to gain competitive advantages. The discussions and limitations are discussed in the end of the research.*

**KEYWORDS:** *competitive advantage, competitive intelligence, social media, social intelligence, touristic destination, rural tourism.*

**JEL CLASSIFICATION:** *D81, M10.*

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### **1. INTRODUCTION**

There is no one single answer about what represents competitive advantage or only one method to measure it. For example, Barney B.J. (1995) defined competitive advantage as being "superior performance relative to other competitors in the same industry or superior performance relative to the industry average. It can mean anything that an organization does better compare to its competitors". Almost everything could be considered as competitive edge, e.g. valuable resource such as brand reputation, higher profit margin or unique competence in producing specific product or service.

Recent researches and studies show a dramatic change in customer's behavior regarding communication. If twenty years ago the telephone was the main mean of contact for most of us, today communication moved in the sphere of online, particularly on social media networks.

In most of the business, strategic marketers have been first movers in social media, tapping into it for insights on how consumers think and behave. As social technologies mature and organizations become convinced of their power, we believe they will take on a broader role: informing

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competitive strategy. In particular, social media should help business companies to overcome some limits of old-school information gathering, which typically involves collecting information from a range of public and proprietary sources, distilling insights using time-tested analytic methods, and creating reports for internal company clients.

Today, many people who have expert knowledge and shape perceptions about markets are freely exchanging data and viewpoints through social platforms. By identifying and engaging these players, employing potent Web-focused analytics to draw strategic meaning from social-media data, and channeling this information to people within the organization who need and *want* it, business companies can develop a "social intelligence" that is forward looking, global in scope, and capable of playing out in real time. This isn't to suggest that "social" will entirely displace current methods of information gathering. But it should emerge as a strong complement.

In case of Romanian rural tourism, which is the focus of this research, potential visitors go in online, search for opinions and advice, or join to online communities and thus they get information they need.

This research investigates the role of social media to remain competitive in the tourism industry and how can be aligned the strategy with presence on social media.

## 2. THEORY

### 2.1. Competitive advantage and social media networks

No need to say that stable and predictable markets are memories of the past and therefore the entrepreneurs and managers must focus on monitoring the events and changes in the markets. Factors, such as globalization and the explosion of technological innovation have crucial impact in management strategy, which is almost inevitable. In such a world characterized by rapid changes and uncertainties, monitoring strategy of external events has become more relevant than itself internal process of performance. Therefore, the competitive intelligence based on the information *captured* from social media networks is of paramount importance, as it will provide a complete analysis of the situation on customer trends and market changes.

The business competitive intelligence is a systematic and ongoing process which includes all activities regarding collection, analysis, communication and use of information about innovation, customers, distribution channels, competitors, technology, macroeconomic and political issues in order to increase the competitiveness of organizations and to help in the decision process. (Global Alliance Intelligence, 2006).

The success in exploiting opportunities requires the acquisition of sufficient knowledge on the economic trend, competitors, customers, suppliers and other external factors through their continuous monitoring in order to assess changes that may represent opportunities and exploiting them before others do.

The objective of any entrepreneur should be managing emerging opportunities and risks in a proactive manner, so to obtain a competitive advantage to gain performance.

Competitive intelligence software proposed by the end of this study based on information gathered from social media networks aims to identify signs and trends that can make the difference in exploiting new opportunities and emerging risks.

In practice, the competitive intelligence has to be the "eyes and ears" of entrepreneurs and managers in a global environment so changeable. Therefore any manager and entrepreneur should be able to constantly answer the following questions:

- a. There is a common understanding between management and "board" about critical assumptions regarding business strategy?
- b. Is competitive intelligence focused on vital signs which may affect the validity of critical assumptions in business strategy?

Social media networks had tremendous growth in recent years. Facebook, Myspace, Twitter, Trip Advisor etc... were recently dominated by teenagers and young adults. Meanwhile, many parents who wanted to monitor their children's activity joined social media networks. According to a US study in 2010 in just two months, the number of Facebook users over 35 has doubled and the number increased daily. The number of social media users worldwide has reached the end of 2013 at 18% of the total population of the planet. (SMT, 2013). Now, in 2015, almost a quarter of the world's population is members of a social media network. It is estimated that in 2017, the number of social media users will be somewhere 2 billion. According Stikky Media (2014), in 2013 nearly 90 million persons have downloaded application TripAdvisor, with no less than 1.3 billion monthly users. Therefore, we can not speak about the young people who use social media networks, but the whole society.

Searching our business company name in social media networks is a good start to identify promising social media networks, because it allows us to find out if there are any discussions about our business, and if so, which of the networks. If a rural tourism establishment/destination is not mentioned in social media networks, then entrepreneurs/managers should not feel relaxed. Managers/entrepreneurs should perceive as an advantage the opportunity to start conversation on social media networks.

In order to be credible in online interaction it is necessary to build a solid media profile. A visible profile on social media networks is dependent upon the level of participation of managers/entrepreneurs. This implies that the business and projects must invest the necessary resources to become a regular contributor to social media.

Active participation represents another important factor in building a successful social media profile. The more we participate, the presence of our brand will increase. Participation should be a strategic one, so as to disseminate the message to make more credible. After all, active participation means regular and continuous participation, mutual reciprocity being a normal part of human relations.

A successful social media profile requires openness to feedback; it contributes to effective communication, another important factor in developing social media profiles. Analysis of feedback from social media helps the managers/entrepreneurs to learn more about possible errors done in the past, and which represent lessons learned for the future. Getting easily into contact with other users (customers, competitors ... etc.) of social media networks and even outside of them is an important tool for competitive intelligence, making them *our informers*.

The managers and entrepreneurs must invest time and effort to build respect, discussing common topics with other users in order to create a *network of informers*, to finally help in gaining competitive advantages.

Integrity is certainly another important tool in building a solid social media profile, by strengthening the respect for other users. Only one syncope concerning integrity on social media networks can have serious consequences, leading to the destruction of social media profile reputation for good. Creating a code of conduct on social media networks is mandatory for all entrepreneurs who want to be successful.

Constantly scanning of the internet generates a multitude of "noise", but is difficult to identify the relevant information. Having a detailed plan of what information we need and identifying the real influencing factors, we can focus on predefined targets, thus shortening the analysis time. Mapping the environment requires a Business & Competitive Intelligence for defining, gathering, analyzing and distributing intelligence about products, customers, competitors and any aspect of the environment needed to support executives and managers making strategic decisions for organizations. Competitive intelligence essentially means understanding and learning what's happening in the world outside our business. It means learning as much as possible, as soon as possible, about one's industry in general, one's competitors or even one's county's particular zoning rules. In short, it empowers you to anticipate and face challenges head on. (Competitive Intelligence Definition, Small Business Encyclopedia, 2014).

## 2.2. Social media and tourism business strategy

Social media has tremendous potential when it comes to build the strategy. The information that business acquires, which comes from all over the place, will be so valuable and it will allow managers to move their business to the next level. The richest information source is actually people, their experiences and their opinions. When it comes to gather competitive intelligence and get a leg up that way, managers no longer have to go the traditional route and have to rely on skewed results. It is now much easier to gather customers' opinions instantaneously and in their purest form. This is bound to positively affect business, the way that managers conduct business, and their success rate. There are several ways in which social media networks are positively affecting the marketing world.

- The buying decisions of customers are changing: Social media is allowing a better understanding of the decisions that customers are making and the path that they take in order to arrive at a buying decision. It will become evident to managers exactly which process the customer followed in order to arrive at the end point. The more deeply managers understand their customer's motivation and the journey that he or she took to arrive at the end point, the more effectively managers can sell their offerings.
- Insights into customers: Managers may have had a superficial understanding of their customers before, but now managers must have a deeper understanding of them and of what truly motivates them. The intelligence gathered from social media can offer reliable and useful information for the managers.
- Developing the service/product: Managers can use the intelligence gathered from social media to improve their products and/or services. The intelligence will help business to do that and there is no better way to gain that knowledge than listening to the customers.
- Performing competitive analyses: Advanced intelligence from social media is a wonderful and effective tool for gathering the results of competitive analyses. It is critical for business managers to gain insight on their competition regarding the behavior of customers, the way the products/services are being used, and much more valuable information. If managers can really get inside the heads of competitors, they can beat them.

Understanding our customers: It is critical that managers view the customers as human beings. Managers should make a point of learning about what they like and don't like (not just on a professional level), should learn about their hobbies, interests and their points of view on all sorts of things.

In the case of tourism, social media allow worldwide tourism destinations to be in contact with potential visitors at relatively low cost and higher level of efficiency that can be done by traditional communication tools.(Kaplan & Haenlein, 2010). If tourism destinations desire to enforce highly competitive global tourism market, it must be distinguishable from the competition. (Porter, 1996). The potential benefits of social media and their effectiveness to tourism destinations can be seen especially in a increase in brand awareness, brand engagement, word of mouth, friends/liking, trust and validation. (Pergolino, Rothman, Miller & Miller, 2012.) Touristic destinations are places towards which people travel and where they choose to stay for a certain period (Leiper, 1995) and can be recognized as a perceptual concept, interpreted subjectively by visitors, where a combination of all products, services, and experiences are provided locally. (Buhalis, 2000). Destinations are also considered as geographical region understood by visitors as a unique entity where facilities and services are designed to meet the needs of the visitors. (Cooper, Fletcher, Gilbert, Shepherd, Wanhill, 2004.)

The increased changes in technology and the decrease market budgets are forcing tourism establishments/destinations to innovate in communication strategy. Realizing the huge impact of social media, more and more tourism destinations have changed the communication strategy based

on Tv, printed media towards social media. Through social media communication, tourism establishments can boost awareness of the destination, strengthen the destination image as favorite destination, change behavior and perceptions and engage effectively with stakeholders.

We strongly believe that, now, nobody doubts about the influence and power of social media networks exert regarding any kind of information, communication with friends and other acquaintances, but mostly expressing their own opinions. Social media networks influence us in all aspects of life, including the decisions we make when choosing where to relax in a city break or annual leave. Not very long time ago, remember that every hotel, restaurant had hung out that register with *suggestions and complaints*.

The purpose of that dusty register was that those dissatisfied customers to write their frustrations and grievances, but also had an important role in the control system of those touristic establishments (restaurants, hotels, pensions...etc). With the technological explosion, things have fundamentally changed. Now the *voice of the customer* is not found in those dusty registers with *suggestions and complaints*, but in all social media networks.

Social media networks put together those that have the same dilemma/problem and give them the opportunity to talk among themselves. It can create an *avalanche effect* that no one and no PR agency can control. The presence of different touristic companies in social media networks aim marketing sales, networking and competitive analysis.

According to recent studies cited by Sticky Media (2014), social media networks have a strong impact in the tourism industry:

- Over 70% of customers trust in posted reviews on social media when take the decision to choose or not a touristic destination;
- Less than 15% trust in advertisers.

### 3. METHODOLOGY

Based on theoretical background of competitive advantage and social media, the study collected data through both, quantitative and qualitative approach using questionnaire (Annex 1). The questionnaire was conducted in February-April 2015, on Romanian rural tourism entrepreneurs/managers.

#### Data collection and Method

The present study applies both, quantitative and qualitative, methods to collect and analyze the data. To collect the data, this study used a questionnaire containing 9 questions. The data provided by this questionnaire allows future discussions to develop the idea of the research and deeper understanding of the phenomenon of using social media marketing in Romania rural tourism strategy. Data have been collected from 38 rural tourism establishments throughout Romania. Most of the participants (28) had preferred to answer the questions by phone, and only 10 answered to the questions by email. Therefore, the data have been collected by phone and email interviews.

### 4. RESULTS

This study has investigated the role of social media in developing Romania rural tourism strategy. More particularly, the research examines the opportunities that online users social interaction can provide for business strategy.

The results of the survey conducted on 38 Romanian rural tourism establishments indicate that, for the moment, are not headed in the right direction, not being aware of vital importance of social media, of enormous marketing potential they offer, as well as in gaining competitive advantages.

Mapping the results to the questions of the study:

**Question 1:**

Almost 80% of Romanian rural tourism entrepreneurs have an account on social media, which is used only for social reasons, especially on Facebook. Only 20% of them have an official account to connect with customers, partners and competitors for business purposes and consider the usage of social media as a useful tool for their business. Unfortunately, only 5 have heard about Tripadvisor.

**Question 2:**

The 20% of them that have an official account spend not more than 2 hours per week to connect with customers, partners and competitors for business purposes, which means less than 20 minutes per day.

**Question 3:**

The most often social media network used to connect with customers, partners and competitors is Facebook and Twitter is the second one. Tripadvisor is almost unknown.

**Question 4:**

Those that use business social media accounts, primarily want to see what others are saying. Only 4 of them post information.

**Question 5:**

Most of the responders stated that Facebook and Twitter are accessed weekly. The others networks, for instance Tripadvisor, almost not at all.

**Question 6:**

Only 20% of the respondents stated that sometimes they access social media to get information about services offered by the competitors.

**Question 7:**

For the moment our respondents do not see the benefits of using social media in their strategy, but the interest in this field is increasing.

**Question 8:**

Only 3 of the 38 Romania rural tourism establishments have special respondent person or responsible department for communication through social media, because entrepreneurs and managers do not perceive social networking as a tool that can quickly and efficiently present the uniqueness and quality of services provided.

**Question 9:**

Regarding the last question, the respondents are not fully aware about the importance of social media interaction. The majority do not understand how to gain competitive advantage through social media interaction.

Unlike, in countries like Austria, Switzerland, France, Germany etc, the awareness of the potential of social media networks is somewhere close to 100%. The entrepreneurs and managers in these countries have understood that *generation Y* is becoming increasingly relevant for business.

Travel blogs as *Trip Advisor* are sources of information increasingly popular in the countries listed above. Many travel blogs belong to anonymous bloggers, who does not work in the hospitality industry, but managers of tourist establishments cooperate with them to promote services for closer ties with customers and to capture that information from noise, which can become a real competitive advantage.

2015 and the years immediately following should be the turning point for Romanian rural tourism, years in which Romanian rural tourism units management have to respond to positive posts, but mostly negative on sites like Trip Advisor, Facebook, etc..., years to carefully listen customers on social media networks.

## **5. DISCUSSIONS AND PROPOSALS - CREATING AN EFFICIENT SOFTWARE APPLICATION TO CAPTURE INFORMATION FROM SOCIAL MEDIA NETWORKS**

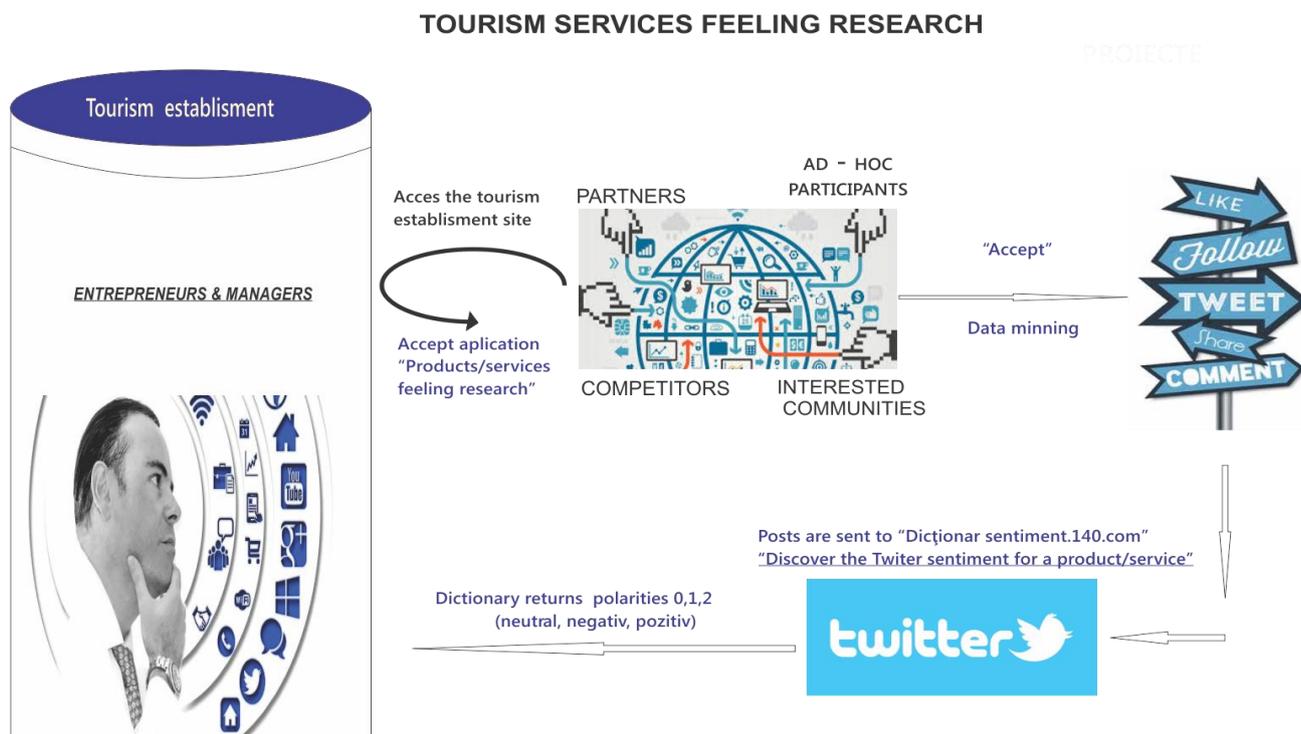
The end state of this study is to offer some suggestions concerning starting points for improving management and marketing strategy of authentic Romanian rural tourism using social media.

Management and marketing strategy of Romanian authentic rural tourism entrepreneurs should start based on answers to the following questions:

*Longer allow Romanian rural tourism entrepreneurship to ignore social media taking into consideration that*

- ... traditional advertising is replaced by the cheaper advertising on social media?
- ... a product / service recommended by a friend/ known on social media is more convincing than your advertisement?
- ... the vast majority of competitors from EU countries invest money to generate opinions and reviews?

Taking in consideration that most of the rural tourism establishments do not have a department or a person responsible to communicate in social media, we propose a software application developed by us based on information gathered from social media networks, which aims to identify signs and trends that can make the difference in exploiting new opportunities. This software application called *"Tourism services feeling research"* can be attached to each tourism establishment/destination site and could represent a crucial method for Romanian tourism managers and entrepreneurs to feel the pulse of the actors from competitive environment and, thus, to provide valuable input in scenarios design and, eventually, in business strategies. A short description and the whole cycle of this application is presented in figure 1.



**Figure 1. Software application on Twitter - Tourism services feeling research**

## 6. CONCLUSIONS

Rural tourism can be an important source of revenue for Romania's budget. Using new media in business strategy can be the key to success. A better presence on social media networks can provide Romanian rural tourism entrepreneurs marketing less expensive, while attracting and involving potential visitors. Social media must be seen and used by Romanian entrepreneurs not only as a real

tourism marketing tool, but also as crucial tool to develop their competitive advantages, by empowering with new technology, in their business strategies. Visitors do not trust anymore to advertisers, they already moved in online sphere. New "active" client requires a personal, smart, creative, interactive approach, including empathy and emotions and wishes to participate in the creation of tourism products and wants to buy based on the relationship. Social media networks can help different rural destinations from Romania to remain competitive if adopt an interactive communication by permanently navigating in this new environment.

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**Annex 1: - Questionnaire form applied**

**Please give your feedback on Romanian rural tourism entrepreneurship using social media?**

**Which of the following social networking websites does your company (restaurant, hotel and pension) have an account with?**

Facebook	Twitter	TripAdvisor	LinkedIn
YouTube	Skype	MySpace	Google+

Other (please specify)

**2. In a typical week, about how much time does your company (restaurant, hotel and pension) spend using social networking websites?**

Hours  Minutes

**3. Which of the tools listed above do you use MOST often to connect for business purposes? Socially? (Choose only one for each category)**

	Business	Social
<b>Facebook</b>	Facebook Business	Facebook Social
<b>Twitter</b>	Twitter Business	Twitter Social
<b>LinkedIn</b>	LinkedIn Business	LinkedIn Social
<b>Skype</b>	Skype Business	Skype Social
<b>MySpace</b>	MySpace Business	MySpace Social
<b>YouTube</b>	YouTube Business	YouTube Social
<b>Google+</b>	Reddit Business	Reddit Social
<b>TripAdvisor</b>	Business	Social

Other (please specify)

**4. Do you use your business social media account(s) primarily to post information you want to share, or to see what others are posting?**

- I use it mostly to post information
- I use it mostly to see what others are saying
- It's about 50/50
- I don't know

**5. How often do you access your business and/or social networking accounts? (Choose only those applications you use)**

- Monthly
- Weekly
- Daily
- Hourly

Other (please specify)

**6. How often do you use social media tools to obtain information about services offered by competitors?**

- Frequently

- Sometimes
- Rarely
- Never

**7. If you use social media tools for work, has their usage benefitted your business?**

- It's significantly benefitted my business
- It's benefitted my business to a degree
- It's hurt my business
- I have no way to tell
- I don't use social media at work

Other (please specify)

**8. Do you believe your use of social media tools for business will increase over the next year?**

- Yes
- No
- Don't Know

9. Do you agree or disagree with the following statement: “**Rural tourism entrepreneurs** that use social media tools to interact with their customers are more likely to have a significant competitive advantage over those that do not.”

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

**10. Please tell us about yourself (Optional)**

Name:

Company:

Address:

City/Town: